Red Lake Mining Camp Booms (Page 14)

THE FINANCIAL POST

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The Nation's Business

The Election Fight Across the Border

Canadians Watch With Interest

Manitoba Asks Recognition for Sound Financing

Money Panaceas

The Battle Is Joined

THE United States presidential campaign is on. The Republicans have a leader and a platform. The Democrats have a leader and a platform.

Not all the Republicans are ready to support the Republican leader. There have been defections from the party; serious ones if Borah is not finally lined up. Not all the Democrats are ready to support the Democratic leader. There have been notable withdrawals.

Third parties seek to thrive on the confusion; to enlist the discontents into a mighty army that will drive out both of the traditional parties. They are unlikely to succeed in doing more than make the final issue uncertain; to obscure the vision of even the sharpest forecasters. They have no Huey Long to lead them. Half an ounce of lead triumphed over paranoia and ended the most potent threat to the old order that has yet appeared on the U.S. scene. Lemke, Townsend and Coughlin are not his match. The first is not known, the others too well known.

* * *

THE race is, then, between Roosevelt and Landon. The betting odds are 8 to 5 for Roosevelt. The public opinion polls show his policies still in favor in the ratio of 55% for and 45% against. A handful of voters, continuing or changing their convictions between now and November, will swing the election.

It is not likely that a comparison of the two party platforms will have much influence on votes. The Republican party platform is deliberately designed to mean all things to all men. No matter in what part of the country a Republican orator is speaking, no matter how smug and reactionary or how discontented and radical his audience is, he will have some planks to stand on that will have a sectional appeal.

The platform, for instance, promises a balanced budget by economy and also promises expenditures and "reforms" inconsistent with budget balancing. The Democratic platform is only a shade less all-embracing and contradictory.

Of interest to Canadians, however, is the fact that the Republicans promise to abolish the authority of the president to negotiate reciprocity treaties. The Canadian treaty might be saved if Congress were willing—but it would be a faint hope.

* * *

IT IS not easy to define the vital difference between the philosophies of the two parties as revealed in the platforms but this one difference does seem to be apparent: that the Democratic party sees the greatest menace to the liberties of the people in the increasing power of privileged groups—in the dynastic "royalty" or "industrial dictatorship" referred to by the president—while the Republican party sees an equally great attack upon liberty in the constantly increasing powers assumed by the State.

The platforms hinge on the New Deal. The Democrats seek to make Roosevelt's new social welfare programme permanent by constitutional changes, where necessary. The Republicans, as one writer aptly puts it, are New Deal in platform and anti-New Deal in rhetoric.

Despite the fanfare of piffle about the traditional policies of the parties, the truth stands out that 2 brand new parties are emerging in the United States. They have not yet become the party of the Have's, ranged against the party of the Have Not's, that is to say the Right versus the Left. They are better described as Right-Centre versus Left Centre.

* * *

IN THIS election each party has sought to provide a personal symbol in the candidate chosen. Roosevelt is still presented as the symbol of the New Deal for the Forgotten Man. He will lead the fight; he will speak for all the elements of the Democratic party. Landon too, is a symbol but what he stands for—except opposition to Roosevelt—is more vague. This is historic opposition strategy. Before the campaign ends he may emerge as a symbol of the common man, a Lincoln-cum-Coolidge type.

Roosevelt, with his magnetic personality and his magnificent radio voice, will dominate his own campaign. Landon will more likely say less and thus make fewer mistakes. His party stalwarts will carry the battle into the country, each using the weapons most likely to prove effective in the section assigned to him.

Canadians follow closely trends of opinion in United States, largely because of geographical position, the use of the radio and the great influx of United States magazines into this country. Many Canadians are better informed about United States

(Continued on page 2, col. 3)

Major Change Is Considered By Provident

Shift in Financial Control May Foreshadow Capital Increase

LOSS IN 1935

Important changes, affecting the entire scope of operations, are brewing for Provident Assurance Co. Within the next month a decision is expected which will determine the future operating policy of the company.

J. H. Pigeon, managing director of the company, states that affairs have been thoroughly investigated and are now on a "sound, conservative basis." A large part of the Du Tremblay interest has been taken over by J. Simard of Montreal, J. A. Brillant, of Rimouski, and J. H. Pigeon. While no resultant changes have yet been announced, it is possible the switch in control may foreshadow an increase in capital. P. R. Du Tremblay retains his office as president and Mr. Brillant is chairman of the board.

Quebec Business Profitable

Operations of the company in recent years have met with little success outside the province of Quebec. Last year, the company is believed to have had an underwriting profit in that province of almost $75,000, a profit which was more than offset by losses in other parts of the Dominion. In an attempt to cut down losses, automobile insurance, which has been the most unprofitable line of business, has been severely restricted. Early this year, the company discontinued private motor car coverage in Ontario. Rates in Montreal have also been jacked up almost to the level of board company schedules. As a result, a considerable volume of automobile insurance has disappeared from the company's books.

$117,111 Loss in 1935

The report of the Ontario superintendent of insurance for 1935 reveals that the Provident suffered a total net loss for 1935 of $117,111. Officials of the company explain that about $60,000 of this amount is due to loss on purchase of the Trans-Canada and the British Colonial companies. A similar amount is said to be attributable to depreciation on various securities in the investment portfolio.

Highlights

Trans-Canada

"Main Street" from coast to coast is slowly bridging rocky gaps, but completion is still five years away. Page 9

Defaulted Bonds

Profit and income possibilities for investors as Canada emerges from depression. Page 9

Controlled Money

Can money be controlled? Sir Norman Angell gives the answer on Page 16

"Send Us Drills"

Red Lake mining area encounters diamond drill famine on crest of latest development boom. Page 14

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Divergence of Views In Aberhart Cabinet May Start Downfall

Collapse of Government Within Year Predicted in Alberta

REPORTS CONFLICT

By C. W. STOLLERY

EDMONTON.—Alberta has never before had so universally popular a topic of conversation, nor such a source of continual wonderment, as the doings of its present Social Credit government.

C. W. STOLLERY

At pink teas, in business offices, on the golf course, in taverns and on street corners, conversation inevitably turns to Premier William Aberhart,—the man who put the scrip in scripture—his colleagues and their unusual policies.

Civil servants fight shy of discussing government policies with which most of them disagree secretly.

Confusion of Tongues

The popularity of the topic of government activities has led to a confusion of tongues outside the government and to sharp conflicts of ideas within the cabinet. Any differences within the government and the Social Credit party, however, are not apparent on the surface. That they exist, however, is an open secret.

As a consequence of the turmoil in fact and fancy, there have developed scores of diverse views as to what is actually happening, what should be done about it all, and what will be the eventual results of such things as slashing of interest on government bonds, municipal default, "prosperity bonds," and so on.

Collapse Predicted

Collapse of the Aberhart government within a year is freely predicted.

There can be little doubt that widespread reports of sharp differences within the cabinet and within the Social Credit party are based on fact. It is even stated that at one recent cabinet meeting the premier and one of his more radical colleagues nearly came to blows over the "prosperity bond" issue.

Attorney-General Hon. John Hugill is said to have opposed the halving of interest on provincial bonds with the result that he is in disfavor with Mr. Aberhart who sponsored the policy.

Directly conflicting reports of Mr. Aberhart's views are obtainable on all sides. The frequent statement that the premier has really given up his faith in social credit is belied by Mr. Aberhart's reiterated claim that free dividends will be disbursed by the time he has been 18 months in office. Mr. Aberhart's statements are so numerous and varied, however, that it is difficult to appraise his underlying views. He is supposed to be opposed to issue of "prosperity bonds" which, of course,

(Continued on page 3, col. 2)

Massey-Harris Sales Gain 30%

Massey-Harris Co. sales for the six months ended May 31, 1936, the first half of its fiscal year, gained slightly more than 30% over the same period of the preceding year.

In making public this information, the officials of the company point out that the sales for the first half of the year usually represent the smaller portion of the year's business. The percentage of gain may therefore be varied either up or down when the results of the whole year are available.

Submit Refinancing Plans to Suburbans

Proposals Outlined for 7 Municipalities in Toronto Area

Refinancing schemes for 7 of the Toronto suburban municipalities which are in default have been prepared by the fiscal agents and submitted to the respective bondholders' protective committees, The Financial Post is informed. With the exception of the plan for New Toronto details of the proposals are not available as yet.

Municipalities for which refinancing schemes have been prepared are as follows: the towns of Leaside, New Toronto and Mimico; and the townships of Scarborough, North York and Etobicoke. A plan for the village of Long Branch is combined with the Etobicoke plan. No plans have been prepared as yet for the town of Weston and the townships of York and East York.

In most cases the refinancing plan has been submitted to the bondholders' committee only within the past few days, and as yet no meeting of the committee has been held. Details will not be available until the proposals have been discussed by joint meetings of the fiscal agents and the protective committees. The fiscal agents are Thomas Bradshaw of the North American Life Assurance Co.; J. M. Macdonnell of the National Trust Co.; and W. G. Watson of Toronto General Trusts Corp.

The proposal for Mimico, The Financial Post is informed is in a more advanced stage than the others and has been approved in principle by the parties concerned.

New Toronto Scheme

Details of the New Toronto scheme leaked out when the proposed plan was voted down by the town council and a committee appointed to draw up an alternative plan. While the opposition of the council may delay the approval of the plan, its endorsation by the council is not necessary. Approval by bondholders and by the Ontario Municipal Board is all that is necessary to put the plan into effect.

The plan, as proposed by the fiscal agents, and which is opposed by the council on the grounds that it will be too great a burden on taxpayers in the future, provides for full payment of interest and principal on the town's debentures, maturity dates being extended for 4 years. In 1936 it is proposed to pay sundry creditors totalling $104,000, which consists of amounts due on contracts, and also 1934 and 1935 interest arrears. In 1937 interest due in both 1936 and 1937 is to be paid. Payment of principal is to recommence in 1938 when the amount defaulted in 1934 is to be paid. Other principal payments are to be met 4 years from the present maturity dates.

TO PAY '34 COUPON

From Our Own Correspondent

MONTREAL.—Holders of the first (closed) mortgage of 6% bonds of Dominion Square Corp. have been notified that the company will pay on July 15, in Canadian or American funds, the interest coupon which became payable on April 1, 1934.

MAY HEAD RADIO

Thirty-six-year-old Reginald M. Brophy, manager of the Stations Relations Department of the National Broadcasting Company, who may be appointed head of Canada's new broadcasting commission. Former Montrealer and manager of CFCF there, he is said to have the support of the private ownership advocates in the coming Ottawa appointment.

Hiram Walker Grain Corp. Opens in St. Thomas, Ont.

Hiram Walker & Sons Grain Corp., grain-buying subsidiary of Hiram Walker-Gooderham & Worts, Ltd., has leased the plant of Empire Mills, at St. Thomas, Ontario. Renovations are completed and operations begin at once.

It is announced that the company will provide a market for all kinds of grain including field beans, wheat, barley, rye and oats.

$50 Millions in Bonds Paid Off This Month

From Our Own Correspondent

MONTREAL.—July 1 was Dominion Day, but also it was pay-off day for the holders of nearly $50 millions of bonds of 5 Canadian corporations, which had decided to redeem their outstanding funded debt.

Heading the list was Saguenay Power Co., formerly Duke-Price Power Co., which called in $35,269,000 of first mortgage bonds. A premium of 4½% was paid thereon, making the total distribution $36,856,105.

Famous Players Canadian Corp. refunding operation was next in size; the first mortgage and debentures called for redemption totalling $7,553,000 and the premium $226,590, for an aggregate of $7,779,590.

St. John Drydock and Shipbuilding Co. paid out $3,601,270, representing principal and premium on its bonds. Newfoundland Light and Power paid back to the holders of its debentures $1,336,650 and the St. Lawrence Flour Mills distributed $57,200 in liquidation of its debt to bondholders.

In all the principal amount involved in the July 1 redemptions was $47,643,379. Added to this was a premium of $1,987,436, bringing the total repayment up to $49,630,815.

Few Tourists Bring Back Free Goods

See Year's Imports Under Million Through $100 Exemption

STRICT LIMITS

From Our Own Correspondent

OTTAWA.—While the number of returning Canadian tourists taking advantage of the $100 exemption is surprisingly small, the National Revenue Department reports considerable misunderstanding of the regulations.

In May, only $107,000 was brought in under the exemption. Recent weeks, while showing an increase, indicate definitely that total imports this year will be less than $1 million. This is in sharp contrast to opposition forecasts in parliament of $50 millions.

Strict Limits

The regulations provide that the tourist to United States must have spent 48 hours in that country and the goods imported must be for personal or household use and included in the baggage. The final phrase excludes from the exemption all large articles such as automobiles, cabinet radios, washing machines, etc. Goods which qualify must be of a kind which can be packed in one's baggage, or like golf clubs, carried conveniently. There are, of course, special quantitative limitations on liquor and tobacco. No pooling of exemptions by members of a party is permitted, nor can the unused part of an exemption be reserved for future use. The privilege is available only once every four months.

Examples

A few examples will indicate the way the regulations apply. A small radio for a car can be brought back provided it is in the baggage and not installed in the car. Tires and inner tubes may be brought in as baggage but not on a car. Typewriters are eligible for exemption but adequate proof must be offered they are for personal and not for business use. Chinaware, shirts, dresses, socks, etc., all qualify.

July Payment Of Dividends $23.4 Millions

Payments Bring Total for Year Up to $144 Millions

Dividend declarations by Canadian corporations for July are $4.7 millions higher than in the corresponding month of last year, amounting to $23.4 millions. This brings the total for the year to date to $144 millions, compared with $120.7 millions for the first 7 months of 1935.

Bond interest payments, on the other hand, have declined, the total for July being estimated at $44.4 millions. This compares with $46.8 millions in July, 1935.

Initial, interim, extra and increased dividends as well as payments on arrears of preferred dividends are making contributions toward the higher total payments in July. Companies making initial distributions are Acme Glove, Atlantic Pacific Oil, Island Mountain Mines, Sheep Creek Gold Mines and Ventures Ltd.

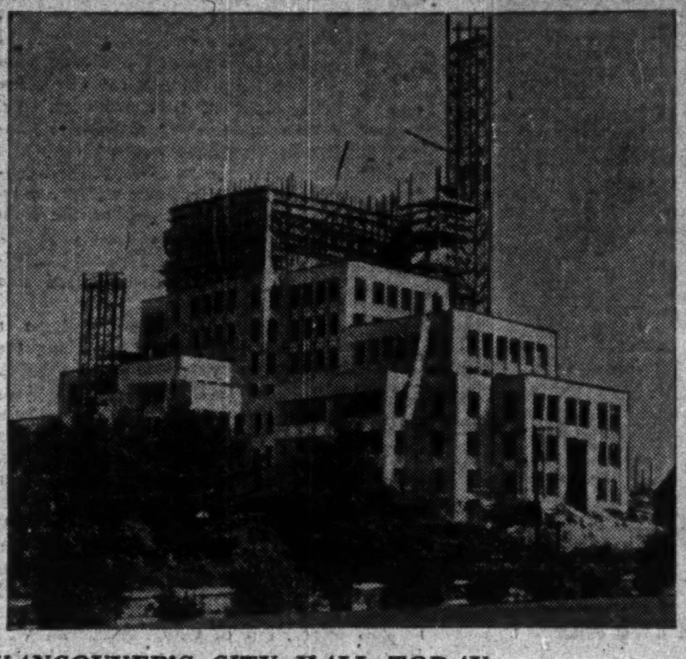
Extra disbursements are being made by Bralorne Mines, Canadian Industries, Dome Mines, Guaranty Co. of North America, Hollinger Consolidated Gold Mines, Montreal City and District Bank, Premier Gold Mining Co., Teck-Hughes Gold Mines and Wright-Hargreaves Mines.

Payments on arrears of preference dividends are being made by Acadia Sugar, Canada Bread, Canadian Wirebound Boxes, Greening Wire, Investment Foundation, North Star Oil and Sherwin-Williams Co. of Canada.

Companies to increase their mid-year payments are Consolidated Mining and Smelting Co. and Ford Co. of Canada. In addition, Brazilian Traction is making its first payment since Sept. 1, 1932.

Summary of July Payments

	1936 $	1935 $
Dividends	23,408,231	18,679,493
Bond interest	44,456,160	46,884,075
Total	67,864,391	65,563,568



VANCOUVER'S CITY HALL TODAY

Loyal Vancouverites "High Pressured" in City Hall Financing

By Staff Reporter

VANCOUVER. — The new city hall on Mount Pleasant, well removed from the business district and overlooking the great city whose finances it will control, is being pushed to completion rapidly by Carter Halls Aldinger Co., contractors. The building should be ready for occupancy about the end of this year.

The method of raising the money to build the palatial new civic building is still a subject for conversation in Vancouver.

Pushing Issue

Promotion work for the bond issue was done by George Martin of Vancouver Mortgage Co., real estate and insurance firm. Management of bond selling was through H. J. Bird of Bird & Talling and a committee representing the biggest business interests in Vancouver. One big function of the committee was to furnish openings for sale of the bonds.

Mayor G. G. McGeer stated in connection with the bond issue that Vancouver would be able to do its financing itself.

The borrowing to build the city hall consisted of 10-year serial 3% bonds. Because they were issued in denominations as low as $100, they were termed "baby bonds." The idea, of course, was that a vast number of small subscriptions would provide a lot of the money.

Bonds Now at 75

The bonds were offered at 100 with grand éclat, at a time when Vancouver 5% bonds could be bought at about 85. Bond men and even those who bought the securities knew that the price was excessive in view of the low market level of Vancouver bonds at the time. Evidence that this was correct is that the baby bonds are now selling at about 75, although it is difficult to get accurate quotations in Vancouver. Few of the bonds have actually come on the market.

The issue was intended to total $1.5 million and it was successful to the extent that $1.1 million of bonds were sold.

This is considered a remarkable achievement in view of the fact that the bonds were apparently overpriced by about 20% of the face value. And the city hall is being built as shown in the above picture.

How was it done?

There were actually some $450,000 of bonds sold in small denominations, from $100 to $1,000. A few of these purchases came from corporations and businessmen, but the bulk is understood to have come from small investors who bought them because of their civic loyalty. In many cases they knew that they could buy 5% bonds at lower levels.

The larger sales totalling some $650,000, came, however, from bigger businessmen and corporations. It appears to be an open secret among Vancouver bond men that these larger sales were made by what are considered "high pressure" methods. If a large firm declined entirely to buy the bonds, there was the possibility that the results would not be entirely beneficial.

One man who bought a substantial block calculated the deal was not too bad for him because of the short term of the issue. Also, he thought refusal to buy might not be good diplomacy in his business relationships with the city.

Unusual Maturity

Another unusual feature of the issue is the nature of the bonds themselves. Instead of buying a bond maturing in a certain year, the investor has a bond that carries not only annual payment of interest but also annual payment of one-tenth of principal. Thus, in addition to receiving annual interest, the bondholder also clips off part of his bond for payment of principal. When it comes to the last year, the investor will have to present the last interest coupon on one-tenth of the principal, and also the certificate for the last one-tenth of principal.

It is believed among Vancouver bond men that this combination of short and long-term maturities in the bond issue is what keeps the price as high as 75 compared with the issue price of 100. If all bonds were to mature in a straight 10 years, they might sell at considerably lower prices.

It is most unlikely that Vancouver's city hall will be a place of quiet as long as the present aggressive mayor, G. G. McGeer, K.C., is in office. Latest word is that Mr. McGeer will retire from the mayoralty this year, although there are some Vancouverites who doubt it. Mr. McGeer who was one of the most active promoters of the new building is to lay the cornerstone, which will bear his name. The edifice will be at least one of his monuments.

Life Insurers Form New Body

J. H. Riddel Elected President of Toronto Insurance Institute

Resignation of the life insurance representatives of the Insurance Institute of Toronto at the annual meeting this week is regarded as the first step toward establishment of a Dominion life insurance organization to carry on the same purposes as the Institute. Preliminary arrangements are already under way and developments are expected shortly.

The Insurance Institute of Toronto was the only one to include both fire and casualty and life members. Those in other centres such as Montreal, Winnipeg and Vancouver comprise fire and casualty representatives only. It is explained that life insurance men from other cities were members of the Toronto Institute; in fact that more than half the life members were from outside Toronto.

The life insurance members of the Toronto Institute, some 80 per cent of the former membership, will take with them that proportion of the organization's assets and liabilities.

Officers of the old Toronto Institute, now comprising fire and casualty representatives only, have been elected as follows: Hon. president, W. R. Houghton, London & Lancashire; president, J. H. Riddel, Eagle, Star & British Dominions; vice-president, L. Weightman, Phoenix Assurance Co. of London; secretary-treasurer, W. H. Burgess, formerly general manager of Canadian Surety; convener debating club, C. E. Sword, Union of Canton.

Seasonal Trend Affects Business

Seasonal factors weighed heavily in May business figures released during the week, with automobile output and sales of livestock registering decreases from the previous month's figures. Most indicators, however, continue above the 1935 level. Further details will be found on page 7.

Monthly	May	—Change— From prev. period	From prev. year
Motor vehicle sales:		%	%
Passenger, No.	15,854	— 8	+14
Trucks & buses, No.	3,239	— 4	+19
Auto prod., pass., No.	16,389	—19	— 3
Trucks & buses, No.	3,617	—23	— 1
Bank debits	*$2,979,199	+ 7	— 4
Cattle sales, No.	64,423	—17	+13
Hog sales, No.	73,491	— 1	+ 7
C.N.R. net rev.	$933,551	—55	+42
Weekly			
Car loadings, No.	45,740	—0.3	+ 4
Cattle sales, No.	12,306	—11	+14
Hog sales, No.	16,588	— 4	+17

*000's omitted.

Fraser Bondholders Asked to Turn in Security

From Our Own Correspondent

MONTREAL. — Bondholders of Fraser Cos., in accordance with the reorganization plan, have been notified to surrender their bonds to the Montreal Trust Co. for exchange into the new 6% first mortgage bonds series of 1936, together with voting trust certificates for shares and a proportionate part of the cash proceeds received on the sale of stock, pursuant to the reorganization plan. No particulars are available as yet as to the proportion of cash the bondholders will receive under the plan.

South America Pays $10 More For Newsprint

Sharp Increase May Presage Higher U. S. Prices Next Year

CANADIAN MILLS ACT

From Our Own Correspondent

MONTREAL. — Canadian newsprint manufacturers have taken steps to correct the price situation in overseas markets and publishers in Central and South American countries are being notified this week of an advance ranging as high as $10 a ton, bringing the price structure in line with that prevailing in other markets.

This move represents the second step taken by Canadian producers to secure a more equitable return for their product and presages an advance in the domestic and American markets on 1937 deliveries.

The first move was taken not long ago in connection with the Australian and New Zealand markets. An advance of roughly $5 a ton was made on 1937 and 1938 deliveries, bringing the Australian price up to 10 guineas and the New Zealand price to £10, 17 shillings and sixpence a ton.

250,000 Tons Involved

Around 250,000 tons of newsprint are affected by the new price policies. During the current year shipments to the Australasian market will aggregate in the neighborhood of 150,000 tons and to the South American market 100,000 tons. The latter field has been a particularly bad spot in the price structure. Producers have taken tonnage from Central and South America at prices which, in some cases, did not cover cost of manufacture.

Those manufacturers principally concerned with the Central and South American markets are Price Bros., Consolidated Paper, St. Lawrence Paper and Canadian International Paper. No particulars are available as to the exact distribution of tonnage, but it is understood that Price Bros. accounts for nearly half the total.

The new price schedule is expected to result in some switching of tonnage as between Canadian and Scandinavian mills. It is not expected that the increase will be taken peacefully and some of the publishers may attempt to secure the lower cost dump tonnage from Finland or other Scandinavian countries.

On Profitable Basis

It is the feeling among Canadian producers that with the considerably stronger technical position of the world newsprint market, especially the United States, there is no need to sell their product at a loss.

In advancing the price in Central and South America, it is recognized that a certain amount of tonnage may be lost, but, on the other hand, the higher price will enable them to handle the remaining tonnage on a profitable basis.

Great importance attaches to developments of the last week. There was an element of doubt as to the degree of cohesion among the manufacturers in their desire to secure a better price on their product in the domestic and United States markets for next year. The rapid increase in consumption among American publishers and the narrowing down of the spread between supply and demand, together with the factor of rising costs, made it appear that conditions were right for an advance in price.

Similar conditions have existed at other times, but inability of the manufacturers to put up a united front defeated price increase plans.

May Strengthen U. S. Prices

Action taken in connection with Australasian and South American markets, in which 8 of the Canadian manufacturers are interested, has put the price structure in those markets on a saner basis and has greatly strengthened the prospects of a better price in the North American markets on next year's deliveries.

So far no word, official or otherwise, is available as to price plans for the United States market. In some quarters an advance of as much as $5 a ton is mentioned, but it is hardly likely that the manufacturers will attempt to secure such a large increase.

More conservative estimates are that the Canadian producers will seek an advance of from $2.50 to $3 a ton, which would make the 1937 delivery price in the New York and Chicago zones in the neighborhood of $43 to $43.50 a ton.

V. R. Smith President Of Insurance Officers

V. R. Smith, general manager of the Confederation Life, was elected president of the Canadian Life Insurance Officers Association at the annual meeting of that organization held recently in Waterloo. Other officers for the ensuing year are: First vice-pres., G. W. Geddes, general manager, Northern Life; second vice-pres., A. N. Mitchell, vice-pres. and general manager, Canada Life; hon. treasurer, A. P. Earle, president and managing director, Montreal Life.

The meeting was purely routine in character, with no public sessions, as a result of the switch in meeting date from November to May or June effected at a special general meeting about two months ago.

MEN'S SHOP

For Sport and Holiday Wear

The Men's Shop presents cool clothes that fit into the picture! Sports jackets and blazers tailored for coolness, comfort and correct appearance! Flannels, cut from all wool English cloth, in plain white, tasteful stripes, and shades of grey and tan! Almost every item of apparel for sport and holiday wear—in a choice that is pleasing both for distinctive style and moderate price!

SPORTS JACKETS—All wool English tweed. Sizes 36 to 44, $15.00 and $20.00 each.

BLAZERS—Of all wool English flannel in various models. Blue, and browns. Sizes 36 to 44, $15.00 each.

FLANNEL TROUSERS—Of all wool flannel in plain white, stripes, and shades of grey and tan. Sizes 30 to 44. Pair—$5.00 to $12.50.

FREE PARKING WHILE SHOPPING

MEN'S SHOP

Bay Street Section

EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

policies and personalities than they are about Canadian policies and personalities.

Businessmen have a definite interest in the United States election. The results will affect their business in Canada either favorably or unfavorably.

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What Manitoba Asks Of Investors

RECENTLY Hon. Ewan MacPherson, provincial treasurer of Manitoba, presented a strong case for reduction of interest on future borrowings of that province. But unlike some other provincial politicians who have based their claim for lower interest rates on the bankruptcy of their finances, Mr. MacPherson made his plea on the commendable record of the province. Instead of robbing investors, Manitoba asks their co-operation and recognition.

Manitoba has done perhaps a better job of financing during the depression years than any other province. During the past 6 years ordinary expenses, with the exception of interest and debt charges, have been consistently reduced, being $2.5 millions lower in 1935 than in 1931. Debt charges, however, increased by $2 millions in this period. During the years 1931 to 1934 inclusive, the total net deficits of the Dominion government and the 9 provinces amounted to $506 millions, out of which Manitoba with $1.9 million was second lowest, Prince Edward Island showing $775,000.

Manitoba, in the year ended April 30, 1933, had a deficit of $1.9 million. By additional taxation and a continuous policy of reduction in expenditures this was reduced in 1934 to $36,000. In 1935 and 1936 there were surpluses of $159,000 and $212,000.

• • •

ON THE basis of this record it would appear that Manitoba is justified in asking a higher rating for its bonds and lower interest rates on new borrowings. There is no reason why western provincial bonds should be considered as a group. Manitoba is in a much better position than the other western provinces and its credit rating should be different.

In Manitoba there never has been any official suggestion of forced conversion or repudiation. In some quarters Mr. MacPherson's remarks were construed as a proposal for a general reduction in interest on Manitoba's debt. There was nothing in his statement to create such an impression. Rather, he stressed the integrity of the province and stated that the view of his government was that debts should be paid in full.

Other provinces might well take their cue from Manitoba. It has taken the lead in reducing controllable expenditures, and has not shirked the necessity of increasing its revenue through additional taxation on a broad basis. The government and citizens of Manitoba are to be congratulated on what they have accomplished.

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Money Panaceas Not Promising

THROUGHOUT the depression there has been insistence that the root of all depression problems is money. And the somewhat obvious corollary is that money must be controlled or "managed."

It is quite possible, however, that altogether too much stress has been attributed to the influence of monetary factors. Without in any way attempting to underestimate the basis importance of money policy, it may be pointed out that the solution of our difficulties lies quite as much, if not more, with general economic factors. The depression is not the result of the collapse of a monetary system. Rather both are the product of economic policies that arose out of the war.

The breakdown of the old gold standard, for instance, can be laid at the door of a changing viewpoint on world trade and investment more than to faults in the gold standard itself. There was a change in economic philosophy without an accompanying change in administration. The system worked quite satisfactorily until the growth of economic nationalism to ridiculous proportions and other factors threw a very large monkey wrench into a very delicately balanced piece of machinery. And no return to a "reformed" gold standard is even remotely feasible until nations have once again learned to think and to transact business internationally.

Money is at best only an instrument by which we measure values and facilitate exchange. To manage money effectively we must first learn to manage the phases of economic life which influence its value.

There is no simple monetary cure for deep-lying economic difficulties.

Pressed Metals Doubles 1935 Net

Earnings of Pressed Metals of America, Inc. for the first half of 1936 are estimated by Stuart B. Playfair, director, at $1.60 a share as against a net of $1.60 a share for all of 1935.

Dividend cheques at the new annual rate of $1.50 a share went forward to shareholders July 1. An accompanying letter states earnings for the second quarter will show a slight gain over those for the first quarter. Sales were up 30 per cent. and it is stated new orders for automobile parts continue in such volume as to assure continued activity for some time.

New Records By Brazilian

Business Active Internally in Brazil — No Unemployment

Miller Lash, president of Brazilian Traction, Light and Power Co. told shareholders at the annual meeting June 29, that new high production records have been established repeatedly in the last year by operating units of the company.

Mr. Lash stressed the facts that internal business of Brazil was very active and that Brazil had no unemployment problem. It was even difficult to secure labor when a big undertaking was launched.

Greater diversification of exports is an encouraging feature of Brazil's foreign business. Whereas, in 1931, coffee exports made up 70% of the total, it only made up 52½% in 1935. The country, therefore, did not depend so much on the outcome of a single crop as was once the case. Important factors in the export trade now included cotton, fruit, nuts, cattle, sugar, rice and cocoa.

Brazil has had to accept many unusual means for financing trade. Most of Brazilian cotton exports, for example, have gone to Germany which has paid in "compensation notes." These compensation notes are redeemable at deferred dates and a lot of this paper has been accumulated in Brazil. The effect on trade with other countries of this arrangement has been adverse. One bizarre result mentioned by Mr. Lash was that United States had bought cotton from Germany which had purchased it originally from Brazil.

There was observable in 1935 a tendency to accumulation of Brazilian shares in fewer hands. There were 36,000 shareholders at the outset of 1936, a reduction of 4,000 during 1935.

Dominick and Dominick Acquire Iselin, Canada

Dominick and Dominick, members of the New York Stock Exchange, have acquired the Iselin Corp. of Canada. Operations of the company will continue under the direction of Guy M. Todd, president, as formerly.

The New York financial house announces that Robert M. Youngs, a former partner of A. Iselin & Co. and formerly president of Iselin Securities Corp. has been admitted as a general partner of Dominick and Dominick.

"A" Holders Oppose Plan For Melchers

Vote Taken, But Results Will Not be Known Until Next Meeting

WANT LARGER SHARE

From Our Own Correspondent

MONTREAL. — Strong opposition to the proposed reorganization plan for Melchers Distilleries Ltd. developed at the special meeting of holders of the A stock. A vote was taken but results will not be disclosed until the next meeting.

The proposed plan which involves liquidation of arrears has to be approved separately by the Class A and the Class B shareholders. The plan provides for a cash payment of $4 a share on the A stock in satisfaction of arrears amounting to over $10 a share and a change in the cumulative dividend feature of the A from $2 per annum to 75 cents per annum, with $1.25 to be non-cumulative.

Want Arrears in Scrip

Leopold A. Renaud, in opposing the plan, suggested that in addition to the $4 in cash the company should issue $6 in 4 per cent scrip for dividend arrears He would have the A stock carry cumulative dividends of 50 cents a share per annum, and non-cumulative of 50 cents.

Representing 700 shareholders, a protective committee under the chairmanship of Joseph Mercure opposed the plan of reorganization sponsored by the board of directors.

Henry Chauvin, K.C., speaking on behalf of the Vigilance Committee, whose chairman, Joseph Mercure, claimed he had proxies for over 50% of the outstanding A stock, laid particular stress on retaining voting rights for the A shares. He also supported Mr. Renaud on the plan to issue Funding Certificates for $6 a share.

Strong sentiment in favor of retention of voting rights by A stock was evident at the meeting.

Record of Payments

When Melchers was incorporated in 1928, the company issued 100,000 shares of Class A $2 cumulative participating no par value stock and 50,000 shares of Class B $4 non-cumulative no par value common stock.

Dividends on the A stock were paid regularly up to and including September 15, 1930. The next quarterly payment was deferred and paid December 15, 1934. The March 15, 1931, dividend of 50 cents a share was paid December 15., 1935, leaving the stock $9.50 in arrears. Arrears as of June 15, 1936, amount to $10.50 a share.

Union Gas Sales Gain, Prospects Improve

S. A. Morse, president Union Gas Co. of Canada, reported to shareholders at the annual meeting June 29 higher natural gas sales in all markets served by the company. London improvement was particularly marked since that city changed over from manufactured to natural gas on October 1, 1935.

Full effect of interest savings because of conversions of bonds during the early months of 1936 will be felt in the current fiscal year. Charges will be $255,820 as against $341,131 for the year ended March 31, 1936, and the high point of $474,519 in the year ended March 31, 1933.

Directors were re-elected.

WHERE'ER YOU GO

In CANADA or ABROAD

Actual cash is unsafe for travellers to carry and yet is needed everywhere.

Travellers Cheques are *safe* for travellers to carry and serve for cash everywhere.

Travellers Cheques take the risk out of carrying money needed to pay hotel charges, shopping bills, tips and a hundred other items.

Used like cash by the rightful owner. Useless to thief or finder, if stolen or lost. Sold in $10, $20, $50 and $100 denominations.

For larger sums Letters of Credit are readily available.

BANK OF MONTREAL

Established 1817

Head Office ... MONTREAL

MODERN, EFFICIENT BANKING SERVICE

.... the outcome of 118 years' successful operation ....

The Store for Men

OH for the hips of a PYTHON!

FORTUNATE FELLOW the python ... he could wear half-a-dozen or more of the smart new sports belts you'll now find at SIMPSON'S! Drop into The Store for Men and select the belt you need for vacation-time. Whatever the shade of your sport slacks — we've just the belt to wear with them! *(Plenty of Summer garters and suspenders, too!)*

"PARIS" Garters in smart Summer shades, at 50c.

"HICKOK" light Summer-weight garters, at 50c.

"PARIS" light weight "Free-swing" suspenders, at $1.

"HICKOK" new "Action-Bak" Summer suspenders, at $1.

Air Cooled Street Floor

As sketched on our friend the python below:

A — "MARTIN" spring belt, gives easily, wears and wears, at $1.

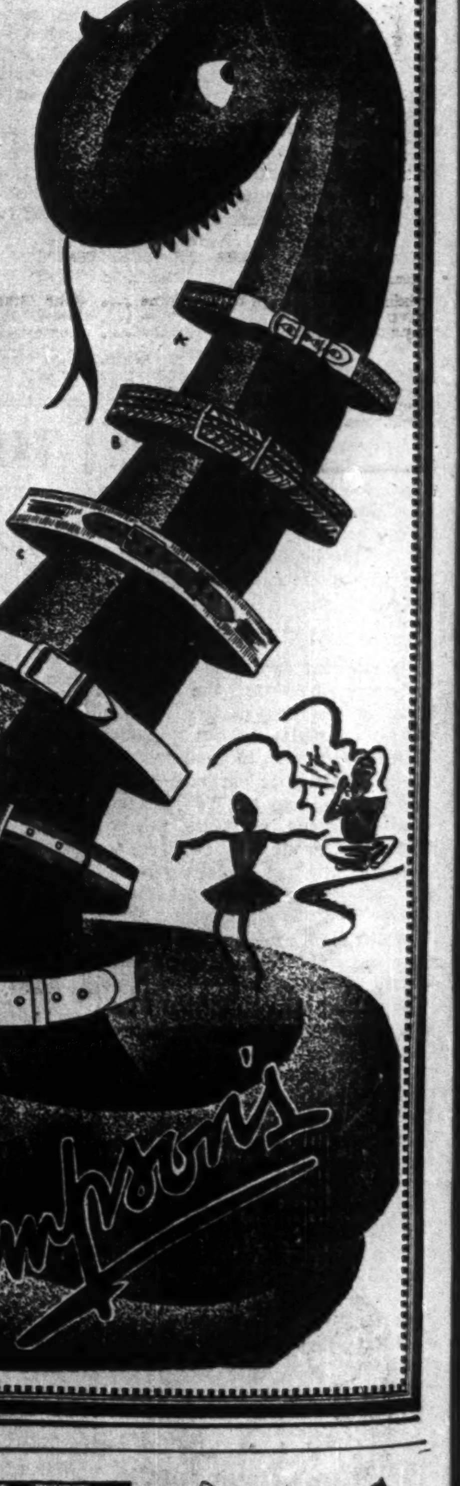
B — "HICKOK" all leather black-and-white combination, at $1.

C — "WELCH MARGETSON" silk-top with chamois backing and pigskin straps; canary, blue or maroon; imported from England, at $3.

D—"PARIS" all-white washable leather, at $1.

E—"HICKOK" all leather black-and-white or brown-and-white combinations, at $1.

F—"HICKOK" all-white washable leather, at $1.



New Issue

$1,200,000

Silverwood Dairies, Limited

(Incorporated under the Ontario Companies Act)

First Closed and Refunding Mortgage Serial Bonds

Series A—5%

To be dated January 2, 1936 — Maturing serially January 2, 1937 to 1951

Principal and half-yearly interest (2nd January and 2nd July) payable in lawful money of Canada at the principal office of the Bank of Montreal in Toronto, Hamilton, London, Montreal, St. John, Halifax, Winnipeg, and Vancouver. Redeemable in whole or in part at the Company's option at any time prior to maturity, on sixty days' notice, at 104 and accrued interest up to and including January 2, 1941; and thereafter at 103 and accrued interest up to and including January 2, 1946, and thereafter at 102 and accrued interest. Coupon Bonds in Denominations of $1,000 and $500. Registerable as to principal only.

Trustee: The London & Western Trusts Company, Limited

In the opinion of Counsel these bonds will be a legal investment for funds of Insurance Companies registered under the Canadian and British Insurance Companies' Act, 1932 (Dominion).

Capitalization

(Upon completion of present financing)

	Authorized	To be Presently Outstanding
First Closed and Refunding Mortgage Serial Bonds	$1,500,000	
Series A 5% due January 2, 1937 to 1951		$1,200,000*
6% Registered Sinking Fund Debentures, due April 1, 1966	$1,450,000	$1,450,000
Preferred Shares, Cumulative and Participating no par value Redeemable at $15 per share or at $13 per share in liquidation. Cumulative dividends of 40 cents per share per annum.	145,000 shs.	145,000 shs.
Common Shares, no par value	1,000,000 shs.	176,623 shs.

*Of this an amount of $240,000 maturing in 1937 to 1940 inclusive is to be held in escrow by the Trustee pending the maturity of $223,275 non-callable bonds and mortgages. The additional $300,000 can be issued for 50% of the lower of cost or fair valuation of additionally acquired assets under certain restrictions as to earnings and net current assets.

Business: The principal business of Silverwood Dairies, Limited, is the sale at retail and wholesale of milk, cream, eggs and poultry, and the manufacture and distribution of butter, cheese, ice cream, condensed milk, evaporated milk, powdered milk, buttermilk powder and other dairy specialties. During 1935 the Company distributed over 26 million retail milk units; nearly 600,000 gallons of ice cream; nearly 8 million pounds of butter and substantial quantities of other products. The Company serves 19 important communities in Ontario.

Silverwood's Dairies, Limited, was incorporated under the laws of the Province of Ontario in 1928 to control and operate various subsidiary companies throughout Ontario. During the current year the assets and undertakings of all subsidiaries have been transferred to Silverwood Dairies, Limited, which now becomes the operating company.

Assets: The Capital Assets of the Company, including real estate, buildings, plants and equipment, are carried on the Company's books at $5,568,633.88 against which a depreciation reserve of $2,284,894.86 has been created. Total net tangible assets are equivalent to over $3,000 for each $1,000 of this issue.

Earnings: After adjustments giving effect to present consolidation and financing, yearly earnings for the last six years after full depreciation and income taxes at the present rate, have averaged over 3½ times interest requirements on all present first mortgage obligations and over 1½ times all interest requirements.

Purpose of Issue: The proceeds of this issue of Series "A" bonds will be used to retire mortgages of $62,650, bonds and debentures totalling $528,950 par value, bank and other loans, and for other corporate purposes.

Security: These bonds will be a direct obligation of Silverwood Dairies, Limited and will be secured under Trust Deed by a first specific mortgage and charge on all the fixed property and plants of the Company, except on certain properties on which non-callable bonds or mortgages aggregate $223,275; and by a first floating charge on all their assets, present and future, including chattel properties used in connection with the business.

Conversion: The 6% Collateral Trust Debentures of Silverwood's Dairies, Limited, due May 15th, 1942, are being called for redemption on September 1st, 1936, at 103 and accrued interest and, subject to these bonds being still available, will be accepted by us at that price in exchange for bonds of the new issue.

We offer the following maturities of this issue, if, as and when issued and accepted by us, subject to the approval of all legal details on our behalf by Messrs. McMaster, Montgomery, Fleury & Company, Toronto, and by Messrs. Ivey and Gillanders, London, Ontario, on behalf of the Company.

$60,000 - - 1941
90,000 - - 1942
90,000 - - 1943
90,000 - - 1944
$90,000 - - 1945
90,000 - - 1946
90,000 - - 1947
90,000 - - 1948
$90,000 - - 1949
90,000 - - 1950
90,000 - - 1951

Price: 100 and accrued interest, yielding 5%

Descriptive circular will be furnished upon request.

It is expected that the bonds in the form of Trustee's Interim Certificates will be available for delivery on or about July 28th, 1936.
The right is reserved to reject any or all applications and also in any case to award a smaller amount than applied for.

Harrison & Company
Limited

Griffis, Fairclough & Norsworthy
Limited

R. A. Daly & Company
Limited

The statements contained herein are based upon information we believe to be reliable, but are not to be construed as representations by us.

Foreign Exchange

Volume of exchange business continues small, pending clarification of the disturbed international situation. Recent trading has been featured by strength in the gold bloc countries, with France, Holland and Switzerland firming substantially. In part this movement is regarded as a consequence of France's action in reducing the discount rate.

Whaley-Eaton Service takes a very serious view of developments in France. "The Blum-Auriol programme is a makeshift," it contends. "It is vulnerable in its indecisions, its dependence upon imponderables (business upturn, increased tax receipts, etc.) and its contradiction in principles. It intensifies the risk of disorderly devaluation and of future political collapse."

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	June 24	June 25	June 26	June 27
U. S. dollar, High	.5906	1.00 1/32	1.00 1/32	1.00 3/32	1.00 1/32
Low	.5906	1.00¼	1.00¼	1.00¼	1.00¼
1935, High	.5906	1.00 1/32	1.00 1/16	1.00 1/32	1.00 1/32
Low	.5906	1.00	1.00	1.00 1/16	1.00 1/32
U. K. pound	4.8665	5.03½	5.03¼	5.03⅜	5.04½
Argentina	.4246	.2787	.2782	.2767	.2737
Australia	4.8665	4.0215	4.0179	4.0170	4.0279
Austria	.1407	.1889	.1889¾	.1890	.1890
Belgium	.1392	.1694¼	.1694¼	.1694	.1696¼
Brazil	.1963	.0576¼	.0576½	.0576¾	.0576½
Czechoslovakia	.0296	.0415½	.0415¾	.0415¾	.0415¾
Denmark	.2680	.2250	.2247½	.2247	.2252½
France	.0392	.0661¼	.0661¾	.0664½	.0665¾
Germany	.2382	.4034	.4027	.4043⅜	.4045
Greece	.013	.0094½	.0094½	.0094½	.0094¾
Holland	.4020	.6784	.6797	.6821	.6840
Hungary	.1749	.1999½	.2000	.2000	.1994½
India	.3650	.3821¼	.3834½	.3827¾	.3833
Japan	.4985	.2946½	.2947½	.2953¼	.2947½
Jugoslavia	.1929	.0230¼	.0230¾	.0231	.0230½
New Zealand	4.8665	4.0620	4.0584	4.0575	4.0685
Norway	.2680	.2531½	.2530½	.2528	.2535½
Poland	.1122	.1894	.....	.....	.....
South Africa	4.8665	5.0118	5.0074	5.0061	5.0198
Spain	.1929	.1370½	.1371½	.1376	.1379½
Sweden	.2680	.2597½	.2596½	.2586¼	.2612½
Switzerland	.1930	.3264	.3236¼	.3277¼	.3286
Hong Kong	.5422	.3247	.3258	.3249	.3248

Metal Prices

New York—June 29—

Copper: Electrolytic spot and future, $9.50.

Silver: 44¾c.

London—June 29—

(Long Ton)—

Copper: Electrolytic spot, £40 10s; future, £36 16s. 3d. Standard spot, £36 11s. 3d; future, £36 16s. 3d.

Tin: Spot, £177; future, £174 5s.

Lead: Spot, £15 1s. 3d.; future, £15.

Zinc: Spot, £13 12s. 6d.; future, £13 16s. 3d.

Gold: 138s. 8½d.

Silver: 19½d.

Canada—June 29—

Gold: $34.95.

Silver Prices

Trading in Montreal
June 22 to June 27

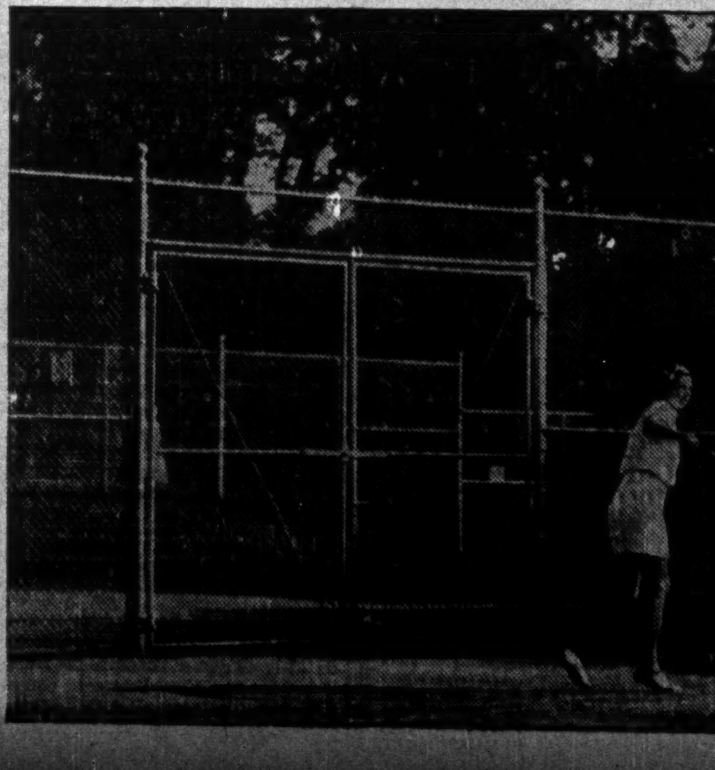
	High	Low	Close	Contracts
July	44.75	44.60	44.70	13
Dec.	45.33	45.25	45.25	8

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.85	4.15
Can. Equity	12.00	...
Can. Invest. Fund	4.25	4.50
Grouped Income	5.86	6.40
Can. Int. Trustee	4.75	5.25

Bond Tenders

2 p.m., July 8, Belleville—$22,000, 4 per cent, due serially June 1, 1937-46; $1,051, 4½ per cent, due serially May 1, 1937-55.



STELCO

Chain Link FENCE

For Tennis Courts

Erected on Stelco Pipe, this *Copper Bearing*, heavily galvanized chain link fence fabric is a permanent, efficient tennis court enclosure. It keeps outsiders *out* and tennis balls *in*. Stelco Chain Link Fence cannot sag nor rust and needs no upkeep. Made in Canada from ore to finished product, its first cost is its last. Write for booklet on Tennis Court Construction. Estimates supplied without obligation.

The Steel Company of Canada Limited

Hamilton
Garfield 1200

Toronto
Elgin 3381

Finance Firm Shows General "Paper" Gain

Public Buying Reflected in Industrial Acceptance Corp. Report

ADD TO EARNINGS

From Our Own Correspondent

MONTREAL.—Reflecting general expansion in public buying power, business of Industrial Acceptance Corp. this year to date is understood to be as much ahead of the corresponding period in 1935, as the latter was ahead of 1934. This would indicate a volume of business in the neighborhood of $18 millions annually, as against $15.5 millions reported in 1935.

No figures are available as to earnings, but presumably they are equal to, if not better, than a year ago. Net earnings bear a close relationship to the gross turnover. Moreover the general decline in bank interest rates and the raising of new capital, should result in a reduction in the cost of funds for the carrying on of business to the betterment of earnings.

Auto Sales Help

Probably the greatest factor in the increased business of Industrial Acceptance this year has been the jump in automobile sales. During the first quarter this year sales of new cars were about one-third greater than a year ago. Sales of used cars also increased.

Industrial Acceptance's business has been greatly extended beyond automobiles in recent years. The company now handles installment sales on refrigerators, radios, oil burners, electric washers, electric ironers, ranges, stokers, industrial equipment and various lines of household equipment.

Raise New Capital

At the beginning of this year Industrial Acceptance carried $7.1 millions of business on its books. Against this the company had bank loans of $4.8 millions.

In view of the increased business in 1935 and prospects for further gains, steps were taken earlier this year by Industrial Acceptance to create an issue of $3 millions 5% cumulative preference shares, of which $500,000 were sold. Proceeds were used to replace funds involved in the reduction of the 6% convertible debenture issue to $750,000 and the balance used for working capital.

The new preferred stock will not add in effect any charges ahead of the common stock, as it will merely cause a reduction in debenture and bank interest by an amount something in excess of the new dividend.

Divergence of Views In Aberhart Cabinet May Start Downfall

(Continued from page 1)

constitute something else entirely than the ever-elusive social credit.

"Prosperity Bonds"

Facetiously known as "calamity bonds" the issue of certificates that depreciate in value each week unless stamps are affixed was first hit upon by Sylvio Gessel in Austria many years ago.

This scheme is apparently going to be tried in the near future, despite some opposition within the government.

Depreciated Value

There is little doubt that the scrip, if and when issued, will be at a discount from hard cash. Hon. Charles Cockroft says the entire scheme depends upon confidence in acceptance of the scrip in payment for goods and services. My week's visit to half a dozen important points in Alberta demonstrated that mistrust of the whole scheme is common, so that the passing of the certificates will be difficult in many cases.

One corporation executive sees a serious danger of rioting in the certificate scheme. He cites the case of a small country shopkeeper who may have scrip presented by road-workers in payment for goods. Suppose the storekeeper refuses to accept. This business executive raises the question: Will the possessors of the scrip money who have actually worked for it depart in peace or will they use force to get what they want from the storekeeper in exchange for scrip?

Another question to which only time and scrip can provide the answer is whether the unemployed will accept certificates as payment for wages. Civil servants will have to accept it for about 25% of their salaries, if they wish to retain their jobs. Past experience indicates that the retailer usually "gets stuck" with such certificate issues.

Enmeshed in Scrip

Alberta newspapers are mostly opposing the scrip issue. Most businessmen think the scheme crazy. There is a considerable body of opinion, however, in favor of the government going ahead as quickly as possible with the issue without opposition in the hope that the unsatisfactory results will finally cause the government's resignation.

Mr. Aberhart himself recently commented: "Why don't they (the opposition) fold their arms and let us hang ourselves?"

Those who favor a quick and disastrous scrip issue suggest that Mr. Aberhart would welcome stronger opposition so that he would have scapegoats for failure of the scheme or be able to make himself a martyr for social credit.

Municipal councils must decide whether or not they will lose more by helping to put the scrip in circulation or by refusing to have anything to do with it, and thereby possibly incurring the enmity of the government. And speculators are trying to make out whether there are opportunities for profit.

The government has, since announcement of the scheme, introduced some modifications which alter most ideas originally held that the certificates would be quite valueless, and would never circulate at all. It has now been stated that more than one method of redemption will be applied, that certificates will be accepted in payment of taxes, and that the question of availability for the purchase of liquor at government stores is still under consideration.

Present Indications

The government may yet change its mind again as to what it will attempt to do with its new form of currency. But present indications are that:

Most businessmen and ordinary citizens will refuse to have anything to do with the certificates. The wholesalers' and manufacturers' section of the Edmonton Chamber of Commerce and the Alberta branch of the Canadian Manufacturers' Association have notified 12,000 Alberta retailers that they will be unable to accept the proposed scrip.

That a limited number of dealers will take a chance on buying up at a discount such of the certificates as are issued to men on relief works or otherwise disposed of by the government.

That those issued will promptly come back to the government until the funds set aside for their redemption are exhausted.

That a new government plan of financing will then become necessary.

Original Scheme

As the scheme was first announced the certificates were to require weekly addition of a special stamp, amounting to one per cent of their denomination, to be bought from the government with legal tender. They were to be redeemable at the end of two years, from money accumulated in a special fund from the payments made for special stamps. Redemption seemed reasonably sure, as the plan would give the government $1.04 for every dollar that it promised to pay out. But it appeared unlikely that Albertans would spend $1.04 for the sake of getting back $1 at the end of two years.

The government has more recently announced it will redeem certificates at face value, and in legal tender, before the end of the 2-year period and also before the full quota of stamps had been affixed. That was in order to provide funds for wholesalers who must meet commitments outside of the province.

Use Relief Cash

To provide the necessary funds there will be put into the special redemption fund, not only the money from the sale of stamps, but also certain other sums. Chief of these would be the Dominion government contribution for unemployment relief, which would be set aside and the unemployed paid in scrip instead of in cash. Further, it was announced scrip would be accepted instead of cash in payment of taxes.

The government admits that the amount of "prosperity certificates" presented at the end of each month will provide the test for the scheme. Return of an unduly large amount at the end of the first month would mean the government would concede the plan a failure.

Cabinet Division

Hon. Ernest C. Manning, provincial secretary, is one of the leaders of the more aggressive social credit group in the cabinet. Another youthful member, Hon. Lucien Maynard, minister without portfolio, is an active sponsor of the scrip scheme. Minister of Public Works Fallow apparently remains an energetic Social Crediter. They are strongly supported by back benchers.

Leaving Mr. Aberhart's exact position in obscurity, there is a group of cabinet ministers who are widely viewed as non-Social Credit. Hon. John Hugill, Attorney-General, is included in this group by widespread opinion. Hon. C. C. Ross, Minister of Lands and Mines, came into the government from his experience in the civil service and is known to be a cool outsider as far as Social Credit and scrip are concerned.

Then there is Hon. Charles Cockroft. Everywhere I was told that he is not really a Social Crediter at all. When this was suggested to him he replied enigmatically: "I am just as enthusiastic about Social Credit as I ever was."

Political Situation

Many of the Social Credit members of the legislature are enjoying the emoluments of office for the first time. This gives Mr. Aberhart a club to wave over the heads of the rebellious members. If the more radical Social Crediters push their schemes too hard for Mr. Aberhart's liking, he can threaten dissolution which would be almost certain to eliminate many present members in a general election.

The main reason for belief that the Social Credit party has lost caste with the electorate is, of course, the fact that there has been no sign of Social Credit dividends. Also the government's inability to pay its April 1 debt maturity demonstrated that money cannot be conjured up out of thin air in the way many Social Crediters claim.

The government's policy of conservation of gas will not increase its political popularity, although it may be justifiable.

It would be a grave mistake to suppose that the Aberhart government has lost its following. It retains a large part of it. In the oil fields, for instance, a few workers took time out to welcome the premier on his recent visit to Okotoks, his riding, where he gave several addresses.

Bond Problem

For the investor, of course, the big problem is what will Alberta bonds be worth? And what kind of debt settlement will be negotiated?

The study of Alberta's fiscal and economic position now being conducted will give birth to a searching report. It is expected to be used to make representations to the Dominion government on behalf of bondholders. There is still a dim possibility that a guarantee or some other form of federal aid will be sought.

There is the further possibility that a compromise will be reached between the present half rate on Alberta bonds and the full interest rate.

Also, there is a danger of continuation of the half rate for some time, finally followed by permanent refunding of the provincial debt at the half rate.

There can be little doubt that the Aberhart government is keenly interested in arranging a permanent reduction of the interest on provincial bonds. But deferment of a settlement may eventually find a new government in power that would take a more favorable view of the rights of creditors.

Effect on Municipalities

The holder of Alberta municipal bonds is facing similar proposals for arbitrary reduction of interest rates. Calgary is already on the bandwagon although it is far from being the most hard-pressed municipality in the province. It is feared that Edmonton may bring forth a similar proposal, although the leading business people and municipal officials in the city are strongly opposed to any such move.

As in the case of the provincial bonds, perhaps the best arrangement for holders of Alberta municipal bonds at present would be to avoid any permanent debt adjustment for as long as possible. Then, if income in the province improves, or if there is a change in the provincial or civic governments, there would be a probability of improved arrangements.

Outlook Obscure

Crops in Alberta this year hold promise of great bounty. Despite the restraints on business caused by confusion and repudiation in government policies, there appears to be slight improvement in general conditions. There is hope in this for both businessmen and investors. If business were to recover substantially in the province, social credit, scrip, interest cuts and other signs of radicalism in the depression might pass.

It is encouraging to see that with what modest return of prosperity there has been many Alberta people are recovering their economic perspective. The hope of the investor must be for a broader development of the recovery trend.

PRESIDENT

W. G. Addison, purchasing agent of the James Morrison Brass Manufacturing Co., who has been elected president of the Purchasing Agents Association of Toronto. He succeeds C. Stanley Webber, purchasing agent of Page-Hersey Tubes, Ltd.

Montreal Power Bonds Offered for Beauharnois

Plan to Exchange Senior Securities — Points to Iron Out

From Our Own Correspondent

MONTREAL. — Subject to approval of the Quebec Electricity Commission, Montreal Light, Heat and Power Consold. will offer to exchange its 3½% first mortgage and collateral trust sinking fund bonds, due 1973, in exchange for Beauharnois Light Heat and Power Consolidated 5½% series "A" bonds, according to an official announcement of the Bondholders' Protective Committee.

In a statement issued by the Committee it is said the scheme of reorganization of Beauharnois, which was adopted in 1933, cannot, in view of the cessation of payments under the company's contract with the Ontario Hydro, be carried out as contemplated by the terms of such scheme.

Under the terms of the proposed plan, Montreal Power will issue $38,155,900 par value bonds to cover the outstanding Beauharnois 5½% bonds.

Obstacle to Overcome

The arrangement does not make any provision for the holders of the Beauharnois collateral trust bonds or common stock. An important point in connection with these proposals, if accepted, is that the Beauharnois Light, Heat and Power first mortgage bonds will become a non-cumulative income bond, whereas the Beauharnois collateral trust bond will become a fixed income bond in the spring of 1938.

By changing the sinking fund and interest obligations on the first mortgage bonds, the danger of foreclosure is prevented by any first mortgage bondholder who does not accept Montreal Power's offer. On the other hand there is the question of whether or not the holder of a Beauharnois collateral trust bond will not have the right to foreclose in the event the company fails to meet interest charges in 1938.

Failed to Secure Quorum

Failure to secure a quorum, caused a further adjournment of the meeting of 5% collateral trust bondholders of Beauharnois Power Corp. until August 20.

Shawinigan Net Keeps Expanding

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s interim statement on earnings for the first half of 1936 will make its appearance about the middle of next month and will in all likelihood show a further expansion in income. During the first quarter the company reported a gain of about $60,000 in the amount available for depreciation, income tax and dividends, as compared with the first three months of 1935. The showing in the second quarter should be as good, if not better, than a year ago.

The company's power sales continue at record levels. In connection with operations the company has made plans to extend its distribution system by about 100 miles during the current year.

Public Utility Earnings

Canada Northern Power

May:	1936 $	1935 $
Gross revenue	373,807	364,683
Operating expense ...	141,717	137,253
Net revenue	232,090	227,430
5 Mos. ended May:		
Gross revenue	1,871,939	1,794,169
Operating expense ...	705,148	672,142
Net revenue	1,166,791	1,122,027

Barcelona Traction

May:	1936 Pesetas	1935 Pesetas	% Incr.
Gross earnings	9,687,014	9,589,614	1.02
Oper. expenses	3,645,080	3,646,411	*0.37
Net earnings ..	6,041,934	5,943,200	1.66
5 Mos. end. May 31:			
Gross earnings	52,903,856	52,066,586	1.61
Oper. expenses	19,147,076	19,102,440	0.23
Net earnings ..	33,756,780	32,964,146	2.40

*Decrease.

Brazilian Traction

May:	1936 $	1935 $	Increase $
Gross earn. ..	2,633,797	2,598,992	34,805
Expenses	1,181,130	1,180,013	1,117
Net earn.	1,452,667	1,418,979	33,688
5 Mos. end. May:			
Gross earn. ..	12,555,761	12,629,212	*73,451
Expenses	5,753,224	5,869,787	*116,563
Net earn.	6,802,537	6,759,425	43,112

*Decrease.

Jamaica Public Service

May:	1936 $	1935 $
Gross earnings	69,062	69,897
Oper. exp. and taxes ...	43,685	42,535
Net oper. revenue	25,377	27,362
Int. and amortiz.	8,633	8,626
Balance	16,744	18,736
12 Mos. end. May:		
Gross earnings	872,537	841,355
Oper. exp. and taxes ...	519,434	498,606
Net oper. rev.	353,103	342,749
Int. and amortiz.	103,934	105,385
Balance	249,169	237,364

East Kootenay Power

May:	1936 $	1935 $
Gross revenue	35,910	35,865
Operating expense	11,267	10,979
Net revenue	24,643	24,886
2 Mos. end. May:		
Gross revenue	70,890	72,820
Operating expense	23,667	23,034
Net revenue	47,223	49,786

Railway Earnings

Canadian Pacific Railway

May:	1936 $	1935 $
Gross earnings	11,222,507	9,913,938
Working expenses ...	9,772,218	8,770,025
Net earnings	1,450,289	1,143,913
From Jan. 1:		
Gross earnings	51,086,736	46,338,752
Net earnings	5,615,450	4,658,206

Canadian National Railways

May:	1936 $	1935 $
Gross revenue	15,400,121	14,045,380
Operating expense..	14,466,570	13,390,853
Net revenue	933,551	654,527
5 Mos. to May:		
Gross revenue	70,721,663	66,419,540
Operating expense..	68,256,065	63,756,319
Net revenue	2,465,598	2,663,221

Obituary

Arthur W. Cutten world famous trader in wheat, native of Guelph, Ont., who was popularly regarded as one of the greatest speculators in the U. S. He died in Chicago, aged 66.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Rockcliffe Park, Village of	June	John Graham & Co., Ottawa	4¼%	1937-56	$20,000	103.07	.....
Ottawa	June	Wood, Gundy & Co., and Syndicate	2%	1 to 5 ser.	610,000	100.869	1.65%
Longueuil, Que.	June	Bruneau-Jeannotte	4%	1937-61	47,600	96.69	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Sisters of the Precious Blood of the Diocese of London, Ont. ..	June	Harris, MacKeen, Goss & Co.	4%	15-yr.	$65,000	100	4%

WITHIN THE CIRCLE OF Security
DUNLOP FORT
DUNLOP CITADEL
DUNLOP "RECORD"

"Now I know... what SECURITY means!"

Those who ride on Dunlop Tires enjoy a new sense of driving pleasure—a new feeling of confidence in the knowledge that Dunlop Tires with the unique Cable Cord construction, always keep you "Within the Circle of Security."

In every corner of the world, more and more people are changing to Dunlop. The name stands for leadership in tire construction, durability, safety and long life.

R-10

Fit DUNLOP "THE WORLD'S FINEST"

from Rags to Riches

EXPERT and EXPERIENCED Engraving and Printing of
Bank Notes
Bonds
Debentures
Stock Certificates
Cheques
Drafts
Postage and Revenue Stamps
and other Monetary Documents

THE LOWLY RAG, it is interesting to note, enters the realm of business in a most important way. It finds itself greatly in demand for the making of the highest grades of safety paper on which is printed financial documents and documents "representing" money. Not only does such safety paper practically defy illegal manufacture—but it provides a surface which reflects all the clearness of detail of the intricate designs and patterns which, for the sake of beauty and safety, are used in the engraving of stock and bond certificates, postage stamps and all money "tokens". When you are in need of any such work will you be good enough to write us?

30

CANADIAN BANK NOTE COMPANY Limited

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BRANCH OFFICES TORONTO MONTREAL

Complete Facilities

The Crown Trust Company invites your consideration of its facilities.

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John Jenkins, *Vice-Pres.* Arthur Lyman, *Vice-Pres.*
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393 St. James Street West - Montreal.

Canadians Going to the Olympics

require

German "Travel Marks"

The visitor to Germany must be provided with cash in the form of "Travel Marks" to gain the special exchange concession allowed visitors.

"Travel Marks" are authorized by the German Government to encourage tourists to Germany and may be used only for the daily expenses. They offer Canadians a very great saving in their expenses.

Apply immediately to a branch of this Bank for the amount in German funds you expect to require. You may pay at once at the extremely favourable rate now quoted. Or you may wait till ready to leave, and pay at the rate of exchange then prevailing.

"Travel Marks" not obtainable in Germany

IMPERIAL BANK OF CANADA

Branches throughout Canada

139

To Those Who Use The Highways At Night

for either driving or walking

I APPEAL to the motorists of Ontario to make night driving (and night walking) as safe and enjoyable as driving (or walking) by day. I believe it can be done —by the simple expedient of applying the principles of COURTESY.

Let us make it an infallible rule to dip or dim our lights when meeting other cars. It will soon become almost automatic for us to do so. Oncoming drivers will respond. Within a very short time, this "deliberate gesture" of Courtesy (as it now is) will become a fixed habit.

Do not crowd the other Fellow when meeting or passing. If he is inclined to be a nervous driver, he may easily misjudge distance at night. We don't know. And it costs us nothing to give him several feet of clearance.

Let us give pedestrians MORE than ample space for walking. We have all the advantage when we are driving and the other fellow is afoot. Let us not use that advantage in a bullying way.

On the other hand, when we are walking, let us show true courtesy to those who are driving. When we walk WITH traffic, we place ALL the responsibility upon the motorist. Always walk facing oncoming traffic, and wear or carry something light that the lights of oncoming cars will pick up, even if you carry only a partly opened newspaper.

These are a few instances only, to demonstrate the SPIRIT of Courtesy which I am suggesting and recommending to the people of Ontario.

Practise and preach the golden rule of the road— "Show to others the same courtesy that you would like to have shown to you".

Sincerely yours,

T. B. McQuesten

MINISTER OF HIGHWAYS PROVINCE OF ONTARIO

TRY COURTESY YOU'LL ENJOY IT

11-1

Investment Trends

Selective Purchasing Strengthens Markets

Individual Price Advances Reflect Undercurrent of Investment Interest — Industrials Responsive to Moderate Buying

Canadian industrial stocks have passed through a testing period in the last two weeks with no sign of inherent weakness in the existing price structure.

The investment market remains an uninspiring affair, with highly selective buying strongly in evidence, and a cross-section of Canadian business news accounts for the quick response of individual issues to even a moderate buying volume.

Highlights of the week's market, including quiet if persistent accumulation of International Nickel, are attributable in almost every instance to particular influences affecting individual companies. British American Oil is typical, and the award of important industrial contracts to such companies as National Steel Car, Canadian Car, Canadian Dredge and Hamilton Bridge, in recent weeks has had the effect of concentrating investment interest in these.

Rising sales and earnings reported by other industrial concerns, including Page-Hersey Tubes, Pressed Metals, Canadian Wirebound Boxes and Loblaw Groceterias have produced less direct market reactions since their improved results had been discounted to some extent, but the effect was to further strengthen the market structure.

Dealers note a mild revival of investment interest in about the same ratio that speculative activity has lessened in mining shares. Deferred investment demand is becoming increasingly evident, but it is not expected to produce major price changes, or materially alter the averages until both the New York and London markets adopt a more decisive trend. Funds hitherto employed in speculation among the mines are, in some cases, being diverted into the Canadian industrial list meanwhile.

Buying Power

PUBLIC purchasing power obviously will not reach its peak in Canada until there is complete recovery in the heavy industries.

The bulk of public purchasing power originates in heavy industry, steel and lumber, the construction and building field, and in manufacturing. Construction alone provides employment for a large part of the small-wage earning population, and it is from the heavy industries that the country receives probably its most important spending power in times of active employment.

When and if the revival of heavy industry is definitely under way, the effect will filter through consumer goods companies, utilities and services, it is held. Investors who view the market from a long term standpoint are consequently studying earnings potentialities of Steel of Canada, Page Hersey, Dominion Bridge and other construction and steel shares for investment profit possibilities, rather than chain stores, food companies, utilities and other consumer companies' shares, on the theory that while these too will improve earnings it will not be until public buying power has filtered through heavy industry payrolls.

* * *

B. A. Oil

BOTH speculative and investment demand for British American Oil common are responsible for the shares assuming a leading place among oil stocks on Canadian exchanges. Much of the investment buying is for medium and long term hold, The Financial Post learns, and is a more important part of the total volume than has been thought.

Earnings of the company from its U. S. subsidiaries will be much larger in 1936 than in any preceding year, even after charging a substantial part of income from this source against development. Fluctuations in the drastic proration schedules in Oklahoma affect income materially. The allowable percentage drops as output expands in the area from new wells brought in.

Nevertheless investment quarters believe that operating income this year will increase sufficiently to permit consideration of increased dividend disbursements. Directors have already announced that they will survey the situation later in the year and pay a bonus if advisable.

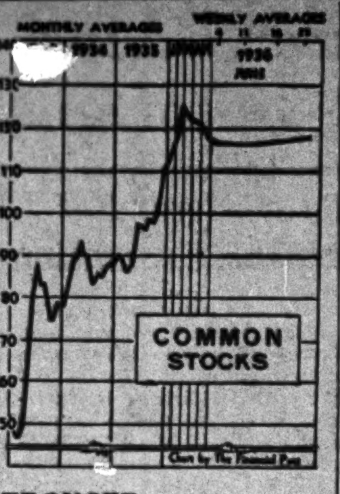
B. A. Oil is expected to continue its policy of ploughing back a large part of its earnings from the U. S. subsidiaries. So far it has ploughed back all the profits, but the time is nearing when part of current net earnings will be available for dividend distribution.

Nor are investors insensitive to the company's undisclosed interest in Turner Valley Royalties, scene of Alberta's latest crude oil discovery. B.A. Oil will handle production from the new Turner Valley source and will doubtlessly continue its interest in exploration for oil in Western Canada. Its objective is to get as much of its western crude supplies as possible in Western Canada.

Montreal Stock Values Advance During May

From Our Own Correspondent

MONTREAL. — Total value of stocks and bonds traded on the Montreal Stock Exchange and Montreal Curb Market amounted to $7,820 millions as of May 30 last, an increase of $338 millions compared with the previous month and a gain of $1,318 millions over the 1935 figure.



STRONGER

Common share prices are at their highest levels in more than a month but the index at 119.7, compared with 118.1 on June 18, has risen so gradually that the net change from a month ago is only 2.3. Underlying investment demand and selective buying of industrial stocks account for the continued strength in the market's undertone.

Southern Kraft Income Higher

International Paper Subsidiary Reports Steady Rise in Income

From Our Own Correspondent

MONTREAL. — Southern Kraft Corp., a subsidiary of International Paper Co., reports sales have increased from $16.6 millions in 1933 to $26.1 millions in 1935 and for the first quarter of 1936 were over $7 millions.

Profits from operations rose from $3.2 millions in 1933 to nearly $4.2 millions in 1934 and $5.1 millions in 1935, with operating profit for the first quarter of 1936 at just short of $1.5 million.

Net profits for the first 3 months this year, after all charges, was $764,661. For all 1935 it was $2.5 millions, against $1.5 millions in 1934 and $710,499 in 1933.

Particulars of earnings were submitted by the company to the Securities Exchange Commission in connection with a proposed issue of $14.5 millions first leasehold and general mortgage bonds, 4½% series due 1946.

International Paper Co. owns all of Southern Kraft's outstanding stock and International Paper and Power owns 98% of the voting power of International Paper.

Butter Futures Trading Halted

From Our Own Correspondent

MONTREAL.—In view of an emergency situation existing in the butter market and the threat of a possible surplus with the cessation of export business, Canadian Commodity Exchange announce the suspension of trading and contracts for future delivery of butter.

The agreement follows a meeting of representatives of the two large co-operative organizations at which trading problems were discussed. Offerings will now be made daily on the exchange and all settlements will be made on the basis of an average of the daily transactions on the exchange as against the previous method of settling on the basis of one weekly auction.

Can. Wineries Proxy Battle Now Intense

Attackers Say Losses Are Greater Than Shown—For New Board

Hon. W. D. Ross and W. B. Milner have sent separate letters to shareholders of Canadian Wineries, Ltd., in answer to those sent out by the president, F. W. Lee, and some of the directors. Both state the annual report since sent out by the company for the year ended April 30, 1936, fully confirms the view expressed in a previous letter by W. D. Ross that the company is steadily losing ground and they express concern about the future.

Ross-Milner Slate

If Messrs. Ross and Milner are successful in securing enough proxies to upset the present board, they will elect an entirely new board and change the management. It is, therefore, significant that Mr. Milner states in his letter of June 29 that the following have consented to have their names submitted for election at the annual general meeting, July 10:

Lt.-Col. D. H. McDougall, Montreal.
Lt.-Col. J. H. Woods, Calgary.
S. B. Gundy, Toronto.
Hon. W. D. Ross, Toronto.

Mr. Milner states that, in addition, "a gentleman with many years experience in the wine industry is being invited to have his name submitted for election." His own name, Mr. Milner says, will not be submitted as he does not want it suggested that he has "some ulterior motive in wishing to bring about the changes in the management." He suggests that proxies be made out in favor of Hon. W. D. Ross and Hon. F. B. McCurdy, of Halifax, N.S., another shareholder.

Hon. W. D. Ross states that if proper provision had been made for depreciation of the Lewiston plant a large loss would have been shown for the year ended April 30, 1936. W. B. Milner adds that if one adjusts returns to take into account the fact that revenue of $43,524 in 1934-35 and $36,659 in 1935-36 will be non-recurring the situation would be still worse.

Goodyear Reports Good Half Year

Goodyear Tire & Rubber Co. earnings in the first half of 1936 were satisfactory, A. G. Partridge, president, reports in letter accompanying dividend cheques for the second quarter.

Surplus and working capital have increased as a result of the re-arrangement of the capital structure in the middle of 1935. Capital liability is also less, reports Mr. Partridge. As the shares are better distributed than before, a wider interest in the affairs and products of the company is looked for by the president.

Investment Notes

Page-Hersey's sales continue to mount and investment quarters are optimistic over earnings prospects. Higher costs for both raw materials and labor are being experienced but against these is the ability of the company to increase net income in well defined ratio to rising business volume. Profits this year will be higher, if current volume is an accurate indication.

* * *

Hamilton Bridge has attracted investment attention from a $400,000 order placed by International Nickel, but the company's most important prospects lie in its potential share of business arising from sustained recovery in the construction industry in general. Investment quarters take a favorable view of the company's medium-long term outlook.

* * *

B.A. Oil is being purchased by usually well-informed investment interests in Ontario. Talk of a dividend increase this year may be premature at the moment but buying has taken place on the theory that the company's conservative policy regarding earnings from its U. S. subsidiaries is creating an important future and possibly near term source of dividends.

* * *

National Steel Car will build 9 air-conditioned passenger and passenger-baggage coaches for the T. and N. O. at a cost of about $400,000. Investors are focusing fresh attention on the company and others which will share in railway modernization contracts.

* * *

Corrugated Paper Box has purchased some of its outstanding preferred and income funding rights for retirement. As of June 22, and after cancellation of the retired certificates, the company had 7,332 preferred shares, 47,000 common and 5,558 income funding rights. Preferred outstanding formerly totalled 7,835 shares.

* * *

Loblaw Groceterias has increased the number of its "market" store units by 14 during the last fiscal year, and the company now operates 48 of these in addition to its other stores. While competition from other chain food companies is becoming more pronounced, Loblaw is well entrenched and has a large customer-shareholder trade. Of the 5,900 shareholders, all but 218 live in Canada.

* * *

Pressed Metals second quarter sales are 30% over those of the first quarter, when net profits showed a gain of over 80 cents a share. Sales are indicative of a corresponding rise in second quarter earnings.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
Weekly Figures, 1936:										
June 4	124.0	17.1	86.3	229.9	69.4	149.1	126.1	187.6	53.0	117.4
June 11	124.9	17.3	86.1	230.0	67.4	149.8	125.6	187.8	53.2	117.6
June 18	125.4	17.5	86.3	229.0	66.4	149.9	128.7	189.3	52.7	118.1
June 25	124.4	18.2	87.4	231.4	66.7	149.7	128.1	192.1	52.3	119.7

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 29	132.27	139.14	131.06
June 27	132.21	139.37	130.95
June 26	132.20	139.32	131.34
June 25	132.41	139.80	131.38
June 24	132.82	140.82	132.27
June 23	Holiday		
Month ago	129.19	139.92	130.06
Year ago	107.40	103.69	89.24
High, 1936	143.46	145.38	144.33
Low, 1936	125.71	115.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 29	69.1	72.6	71.4
June 27	69.3	72.9	71.7
June 26	69.2	73.3	71.9
June 25	69.5	73.9	72.4
June 24	69.4	74.3	72.6
June 23	Holiday		
Month ago	68.9	71.2	70.4
Year ago	59.5	57.8	58.4
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	69.5	68.9

Brandram Paint Sales Up to Date

First Quarter Showing Leads to Hope of Higher Profits This Year

From Our Own Correspondent

MONTREAL.—Sales of Brandram-Henderson Ltd., manufacturers of paints and allied products, showed a large increase during the first quarter of 1936, according to a statement by Norman Holland, managing director, to Hardware and Metal.

"Our own company," said Mr. Holland, "finds business improvement most pronounced on the Atlantic and Pacific coasts, as both the Maritimes and British Columbia show the best increases of any of our Canadian divisions. This is particularly true of the Maritimes. The large increase in our business on both coasts may be somewhat accounted for by the fact that we have been successful in developing products that stand the very destructive effects of sea-coast conditions."

Expectations of the management are that their sales returns for the full year will show an increase in net revenues over that reported a year ago. During 1935 the company reported net earnings after all operating charges and bank interest, of $38,826. This compared with a deficit of $2,725 in 1934. The net loss for the year after making provision for depreciation and interest charges on the funded debt was $23,261, compared with $65,644 in 1934.

Last April Brandram-Henderson carried out a reorganization, which resulted in the redemption of the first mortgage bonds and replacing the consolidated mortgage bonds with new income bonds.

Penmans Limited

Dividend Notice

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1936:

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1936.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1936.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, June 29, 1936.

July Review and Bond List is now available

Surplus funds should be invested promptly to obtain the full benefit of the yields afforded by Canadian Government, Industrial and Public Utility Bonds.

To assist in making a selection of suitable securities, our July Review and Bond List will be gladly forwarded upon request.

Our mail order department is at the disposal of out-of-town clients.

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Vancouver
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Prospectus and annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

We take pleasure in announcing that

MR. ROBERT M. YOUNGS

a former partner of A. Iselin & Co. and formerly President of the Iselin Securities Corporation,

has this day become a General Partner of our firm

We further announce that

ISELIN CORPORATION OF CANADA

has been acquired by us and will continue as heretofore with

MR. GUY M. TODD, *President*

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July 1, 1936

BASS FISHING OF the Best
WITH GOLF ON THE SIDE

Do you like bass fishing from a canoe afloat on a big, powerful isle-dotted river of channels . . . rapids and falls . . . and deep, still, dark reaches?

Would you like to play golf in that northern pine-scented air? Then

come to

FRENCH RIVER

CHALET-BUNGALOW CAMP

7 Days—All Expenses

From

Toronto and Return $50

(Additional week at Camp—$50)

Proportionately low rates from other points.

Bass—Small Mouth . . . Large Mouth—plenty of them. Muscalunge, too, in the right spots—thirty-five pounders, sometimes . . . Pickerel . . . Great Northern Pike.

And a real golf course with 9 sporty holes, well-kept greens.

Private bungalows, central dining room and club house.

Modern log cabin camp also at Pine Rapids, 25 miles up-stream, in centre of some of the best bass fishing waters in Ontario.

Week-End All-Expense trips from Toronto—$23.40. 4

Ask our local agent for full information.

travel CANADIAN PACIFIC

Canadian Celanese Limited

PROPERTIES — The Company's plant is located at Drummondville, P.Q., where it owns 265 acres of land. The modern factory buildings consist of completely equipped units for the manufacture of cellulose acetate yarns and fabrics, and in 1935 employed an average of 2,500 workers.

The Company's products are sold under the registered trade name "Celanese" and it enjoys the benefits of an agreement under the terms of which it is entitled to the interchange of all inventions, patents and improvements discovered in connection with the cellulose-acetate process, by any of the companies in other countries operating under the Dreyfus patents.

EARNINGS—Average net profits for the three years, after deducting all operating expenses, provision for Depreciation of Plant, Machinery and Equipment, Income Taxes and Interest on Income Funding Rights for the year 1935, amounted to $1,412,717, which is equal to $15.69 on the $9,000,000 of Preferred Stock which was outstanding during the period. Net profits in 1935 of $1,492,826 were equivalent to $14.92 on the $10,000,000 of Preferred Stock to be presently outstanding, without taking into account any improvement in earnings which may result from the operation of the additional plant facilities to be provided by current financing. The regular quarterly dividend of 1¾% per share has been declared on the $10,000,000 of Preferred Stock to be presently outstanding, payable June 30, 1936, to holders of record June 23, 1936.

PARTICIPATING FEATURE OF PREFERRED STOCK—In addition to the regular preferential dividend of 7% per annum payable on the Preferred Stock, the holders thereof are entitled to receive out of the surplus or net profits of the Company a cumulative participating dividend equal to 10% of the profits of the Company available for distribution in each fiscal year, as certified by the Auditors of the Company, after deducting therefrom the annual interest and Sinking Fund payment on the Income Funding Rights, the cumulative Preferred dividend of 7% per annum, and any loss carried forward from previous years.

COMMON STOCK DIVIDENDS—Earnings available for dividends on the Common Stock have shown steady and consistent improvement in recent years. In 1935 the Company earned $3.10 per share on Common Stock outstanding during the year, and an initial dividend of 40c per share was paid March 31, 1936. A further dividend of 40c per share on the 260,409 shares to be presently outstanding has been declared, payable on June 30, 1936, to holders of record June 23, 1936.

We recommend

CANADIAN CELANESE LIMITED

7% Cumulative Participating Preferred Stock;
Common Stock without nominal or par value.

AT THE MARKET.

NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal

Branches in all the principal cities of Canada

Liverpool & London & Globe Insurance Company Limited

ONE HUNDREDTH ANNUAL STATEMENT

December 31st, 1935

Net Premiums (Fire, Life, Accident, Marine, etc.)	$47,426,146
Net Interest derived from Investments and other Income	4,518,159
Total Income	$51,944,305

ASSETS

Mortgages	$ 3,871,644
Loans	3,961,580
Government and Municipal, Railway and Other Bonds, Debentures and Stocks	125,463,535
Real Estate	5,077,860
Unpaid Balances and Premiums	7,483,291
Other Assets	4,083,952
Cash in Bank and on Hand	3,971,935
	$153,913,777

LIABILITIES

Capital Paid-up	$ 5,310,500
4% Debentures Stock	4,540,485
Provision for Unpaid Claims	23,249,668
Sundry Liabilities	9,370,075
Reserve of Unearned Premiums	16,508,056
Funds—Life, Marine, etc.	66,534,198
Net Surplus and Special Reserves	28,400,795
	$153,913,777

(£ Sterling taken at $5.00)

Manager for Canada:
ALLAN F. GLOVER

Assistant Managers:
P. M. MAY H. CHURCHILL-SMITH

THE Shadow
THAT TALKS TO STRANGERS

● Like a heralding shadow, "impression" precedes you wherever you go. Before you can say a word it has told your prospect just what to expect of you.

Good grooming, tasteful dressing and manners are the important factors which create a favourable personal impression. Fine design, good printing on good paper ensure the favourable reception of your printed representatives.

Most successful businesses find that good printing is the only kind they can afford to buy . . . and that to employ a good printer, to use good paper, and to pay what the job is worth is the time-proven method of creating a favourable printed impression.

Most printers and printing buyers have found Provincial Papers the ideal basis of fine printing. Their highly uniform printing and handling qualities have made them the largest used Canadian papers for catalogue, book and publishing requirements.

PROVINCIAL PAPER LIMITED
Toronto, Canada

PROVINCIAL PAPER LIMITED

Bond Markets

Ottawa Obtains Loan At Record Low Rate

British Columbia May Aid Municipalities—Montreal Still Talking Conversion — Calgary to Pay in Full

The rise in bond prices appears to have been completed, prices easing off slightly in recent sessions of the market.

Montreal has not benefitted from Vancouver's experience with interest reduction proposals. Bondholders and representatives of the city's bankers have been invited to meet the city council in order to try to arrange a reduction in interest rates. The meeting is certain to be a failure for bondholders are not likely to make concessions when no real attempt has been made by the city to balance its budget.

Calgary appears to have a change of heart. The city has arranged for a new line of bank credit and as a result will meet its bond interest in full. The courts have decided that the city must levy taxes for its full financial requirements.

Interest in newsprint bonds continues. There has been a further advance in the price of newsprint securities and London is reported as a buyer of newsprint bonds.

The British Columbia government is reported as not being favorable to the Vancouver conversion scheme. It is possible that at the next session the government will extend some aid to municipalities in distress.

Achieves Record

THE city of Ottawa achieved a record in municipal financing when it sold its recent $610,000 issue of 5-year 2% debentures at 100,869, which gives a net cost to the city of 1.65%. This is the lowest rate on record for a municipal security of this type.

The excellent price obtained reflects the recent rise of high-grade bonds and the demand for short-term securities. There has been a shortage of high-grade short-term bonds for some time and as time goes on the shortage is becoming more severe since new financing is largely of a long-term nature.

It also indicates the excellent credit rating of Canada's capital city. It is doubtful whether any other major city in Canada could have obtained as favorable a rate.

* * *

Obtain Cheap Money

RECENT sales of debentures by many cities and towns in Eastern Canada are a definite indication of the benefits that accrue to municipalities through maintenance of sound financial positions. Recently a number of municipalities have borrowed money at the lowest rate in their history.

In some quarters in western Canada it is felt that the benefits of cheap money accruing to eastern municipalities should be extended to the western provinces and municipalities. Those who argue in this manner lose sight of the fact that cheap money is available to some eastern municipalities only because they have kept their finances on a sound basis. There are many municipalities in eastern Canada which could not borrow any more cheaply than Vancouver, Calgary or other municipalities in the west where sound policies have not been adhered to.

Shown below is the cost of money to a number of municipalities which have sold issues recently. These figures are not comparable since they are for issues of various terms, but they nevertheless give an indication of the trend.

	Net cost %
Ottawa	1.65
Kingston	2.10
Toronto	2.43
Halifax	2.92
Kitchener	2.25
Peterborough County	2.69

* * *

Market Trends

WHILE high grade government bonds have eased off slightly, sound industrial issues have advanced in price.

Western provincial bonds continue slightly on the soft side. Manitoba issues have failed to recover from the slump which followed a misinterpretation of Hon. Ewan MacPherson's speech. There is no danger of this province defaulting. Informed circles believe that there is little danger of British Columbia defaulting either.

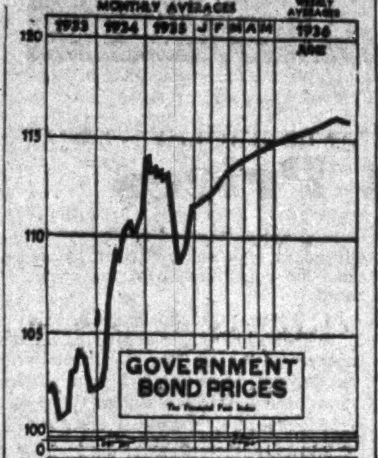
The trend of the high-grade market is indicated below:

The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
June 29	116.41	3.124	June 28	112.73	3.540
June 27	116.42	3.124	June 27	112.81	3.531
June 26	116.42	3.124	June 26	112.77	3.537
June 25	116.44	3.124	June 25	112.73	3.543
June 24	116.26	3.133	June 24	112.62	3.554
Year's	116.63	3.096	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

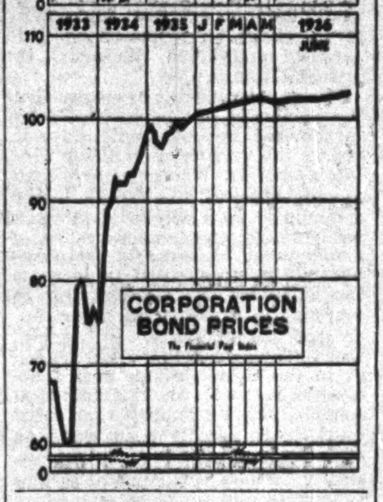
Saskatchewan Deficit Drops $1.8 Millions

Marked improvement in the budget position of the Province of Saskatchewan for the year ended April 30, 1936, is reported by Premier W. J. Patterson. Deficit for the year amounted to $919,916, a decrease of $1.8 million from the previous year. This is the first time since the year ended April 30, 1933, that the deficit has fallen below $1 million.



GOVERNMENT BOND PRICES

The Financial Post Index



CORPORATION BOND PRICES

The Financial Post Index

Dominion Stores Ltd. Sales Continue Upward

Dominion Stores sales in the 4-week period ended June 13 were 8.34 per cent above those for the corresponding period of 1935. This is the ninth consecutive period of increase.

Comparative figures follow:

Monthly Sales

Four week period end.:	1936 $	1935 $	Incr. %
Jan. 25	1,413,478	1,226,611	15.23
Feb. 22	1,452,088	1,352,553	7.36
Mar. 21	1,513,367	1,417,909	6.73
Apr. 18	1,510,891	1,385,269	9.07
May 16	1,517,152	1,360,939	11.48
June 13	1,463,362	1,350,741	8.34
	8,870,338	8,094,022	9.59

Bond Sales

Ottawa

City of Ottawa, Ont., has sold $610,000 of 5-year 2% serial debentures to a syndicate headed by Wood, Gundy & Co. at 100.869, representing a net cost to the city of 1.65 per cent. This is a new low record in interest on municipal borrowings in Canada. Bids were as follows:

	Bids
Wood, Gundy & Co. Ltd.; Royal Bank; Dominion Bank; Nesbitt, Thompson & Co. Ltd.	100.869
Bank of Montreal	100.79
A. E. Ames & Co., Ltd.; Royal Securities Corp.; McTaggart, Hannaford, Birks & Gordon, Ltd.; Harrison & Co. Ltd.	100.74
Bank of Nova Scotia; R. A. Daly & Co. Ltd.; Hanson Bros.	100.4405
Mills, Spence & Co. Ltd.; Bell, Gouinlock & Co. Ltd.	100.33
Imperial Bank; Dominion Securities Corp.	100.277
Bank of Toronto; Matthews & Co.	100.125

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Dom. Canners	6%	1940	Oct. 1	110
St. John Dry D.	4%	Serial	July 5	103
Continental Pap	6½%	1943	Aug. 1	102½
European Elec.	6½%	1965	Aug. 1	105
Dom. T'lgraph	†5½%	1978	Aug. 2	100
Silverwood's A	6%	1942	Sept. 1	103

†$2,900 for sinking fund.

Stock Issues:	Rate	Stock	Date	Price
Brant Cordage	8%	Pref.	July 15	$30

Religious Issues

Notre D. Hospital, Montreal, 5½%, Oct. 1, 102.

Keeps Men Busy

The Stevens-Hepner Co. Ltd., of Port Elgin, Ont., manufacturers of brushes, is celebrating its 40th anniversary. This company established in 1896 has grown from a brush business starting in a small frame building in Port Elgin to a plant occupying a full block and giving almost every man in the town employment.

We Offer:

$50,000

Canadian Pacific Railway Co.

3% BONDS

MATURING OCTOBER 1, 1945
CALLABLE AT 102 AND INTEREST
CONVERTIBLE INTO 4 COMMON SHARES OF COMPANY FOR EACH $100.00 PRINCIPAL AMOUNT OF BONDS
PRICE 93⅝ AND ACCRUED INTEREST TO YIELD ABOUT 3.80%

IT IS INTERESTING TO NOTE THAT THE NET EARNINGS OF THE COMPANY HAVE INCREASED BY OVER 20% FOR THE FIRST FIVE MONTHS OF 1936 COMPARED WITH 1935.

●

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST WINNIPEG
TORONTO, CANADA
TELEPHONE: ELGIN 2236

Staveley Apts. May Reorganize

The outlook for bondholders of Staveley Apartments, Toronto, is encouraging and the improvement made to date is an approach to the ultimate realization of the security, according to a statement issued by the bondholders' protective committee.

Final judgment for sale can be proceeded with at any time, the letter states, and should an adequate offer not be forthcoming in the event of sale or foreclosure, the bondholders' committee proposes to acquire the property on behalf of bondholders. A holding company composed of the depositors would be formed to take over the property.

In reporting on operations the committee states that after paying all operating expenses, and the first installment of 1936 taxes, there was on hand at May 22, 1936, $7,987. Receivers and managers' fees, solicitors' fees, etc., as approved by the court for the period from Sept., 1930, to Dec. 31, 1935, total $8,498. Since $3,500 of this has already been paid on account, the amount to be currently paid is $4,938.

The letter further states that it may be found necessary presently to tie in the rear wall of the building, but outside of this no unusual expenditures are contemplated. It will, however, be some time later in the year before sufficient funds will have accumulated to make possible a further coupon payment to bondholders.

Dawes Joins Wabasso Board

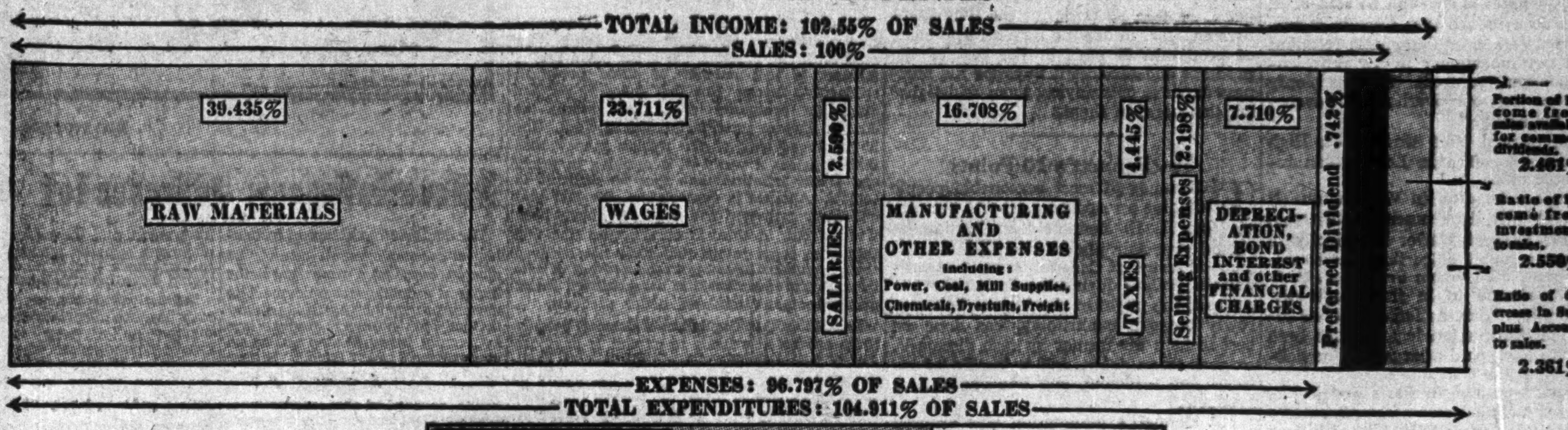
From Our Own Correspondent

MONTREAL. — At the annual meeting of shareholders of Wabasso Cottons Co., the directors were re-elected with the exception of R. N. Ball, K.C., Woodstock, Ont., who is replaced by Norman J. Dawes, Montreal.

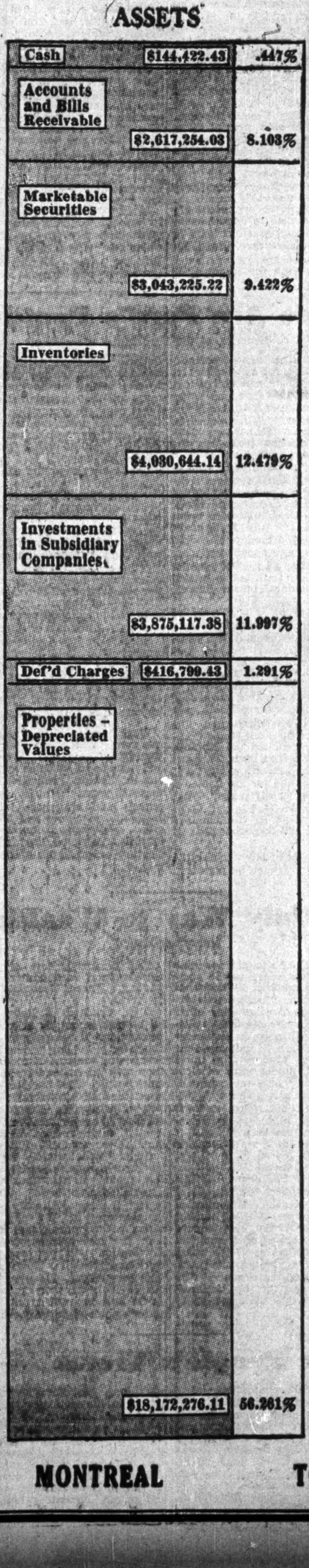
DOMINION TEXTILE CO., LIMITED

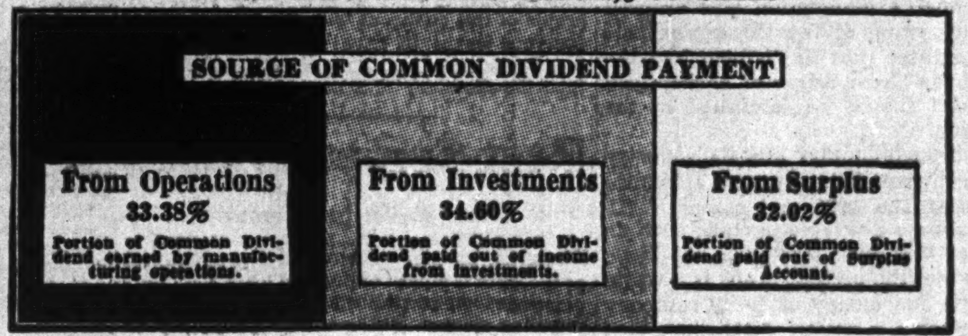
A Presentation in graphic form of the Company's
ANNUAL REPORT *for the fiscal year ended* MARCH 31, 1936

INCOME AND EXPENSES



ASSETS





HIGHLIGHTS OF ANNUAL REPORT

Extracts from the Directors' Report to the Shareholders

Your Company has a net worth of $25,709,022.74 invested in the business of manufacturing cotton and rayon textiles in Canada, and has expended during the last seven years in direct wages and salaries to its employees a total of $33,369,247.32. The workers in the mills received 86.26% of this sum in the form of wages; the remaining 13.74% represents all salaries to executive, administrative, clerical, and selling staff.

TAXES

This year, before paying one cent in dividends to those who have a stake in the Company through their shareholdings, a total amount of $819,541.60 must be either paid out or set aside to meet the many and varied forms of taxation which exact tribute from manufacturers. ... We paid ... Excise Tax on our raw material; Sales Tax on work done and supplies bought; Property and Business Tax to various municipalities; Provincial Taxes; Income Tax to the Federal Government.

PROFIT AND LOSS ACCOUNT

After providing for Depreciation, the mills show a Gross Profit of $1,142,038.59 on Operations. From this figure must be deducted $500,805.93 comprising Bond Interest, Income Tax provision and other charges leaving an amount of $641,232.66 Net Profit from Operations, to which can be added $466,978.43 return from Investment Account and other income, giving $1,108,211.09 available for dividends. Dividends of seven per cent on the Preferred Stock, requiring $135,842.00, and $5.00 per share on the Common Stock, calling for $1,350,000.00, have been paid during the year; and the amount of dividends paid but not earned, namely, $377,630.91, has come out of Surplus Account.

EMPLOYMENT

During the past twelve months and more, we have, to a considerable extent, been successful in maintaining sales, production, and employment, through a policy of taking business even at subcost prices in certain instances. The substantial wage earnings of our employees have been a stabilizing factor in several communities, and, in such places, there has been little or no relief problem confronting the local authorities. In Magog, P.Q., for example, a town of some 8,000 souls, where our Cotton Mill and Print Works have been giving employment to approximately 1,500 people, the civic resources have not been subjected to dole demands, and the municipal finances are in a very healthy condition.

TARIFFS

The levels of value at which Cotton and Rayon Textiles can now enter Canada from the United Kingdom, the United States, and Japan, under tariff arrangements concluded in recent months, have brought matters to the point where it may be impossible to pursue our previous policy, having due regard to the ultimate welfare of all concerned. The loss involved in producing goods on our former scale, a large proportion of which may now only be sold at prices below the cost of production, is more than even our own sound Balance Sheet position can be expected to stand without danger of grave impairment in a comparatively short time. We are, therefore forced to consider proper steps to conserve the position of the Company until the situation facing us changes. These may entail considerable curtailment of manufacturing operations at our various plants throughout the Province of Quebec.

PURCHASES

Turning to a more cheerful subject, namely, the contribution to the commercial life of the Dominion which the Company is making in the ordinary way of business, the following figures taken from the past year's records may be interesting.

Purchases of supplies, apart from raw cotton, and not including duty or taxes, amounted to over $3,000,000.00, of which 76% was expended in Canada. There are over five hundred other Canadian firms supplying us which articles required for the everyday operation and maintenance of our mills.

In addition to the above, purchases of Chemicals, Starches, and Dyestuffs totalled over $1,000,000.00, of which $322,117.08 was purchased in Canada, and the balance imported from nine different countries, the chief of which were Great Britain, U.S.A. Germany and Switzerland. The regular Excise and Customs duties applying on such importations were, of course, either paid directly by us to the Government or were included in the price charged us by the direct importers. It is, perhaps, not generally realized that the Cotton Textile Industry is one of the main consumers of Starch made from New Brunswick and P.E.I. potatoes, and, in years of serious overproduction, has stood that branch of Agriculture in good stead.

Our Freight and Express Bills were in excess of $1,000,000.00, the great part of which was earned by Canadian transportation services.

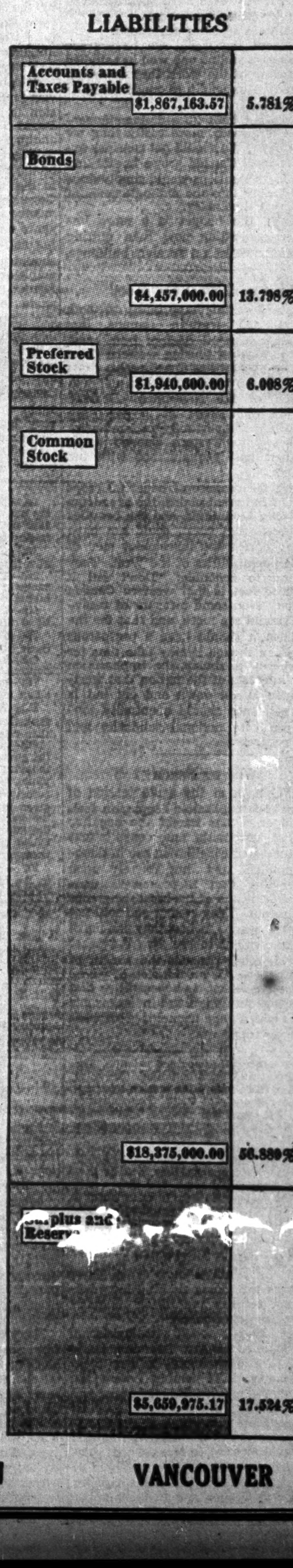
REDUCED MARGINS

Comparing the fiscal year ended March 31st, 1936, with 1930, your Company has operated on an 8% lower margin between raw material and sale values than prevailed six years ago. Unfortunately, we have not been able to achieve a corresponding reduction in manufacturing costs, with the result that profit on Manufacturing Operations has been reduced to a level where it no longer represents a fair return on the effort expended or the risk involved. It is evident that such a condition cannot continue indefinitely and must be corrected one way or another.

ROYAL COMMISSION

It would not be proper at this juncture to refer to the evidence concerning our Company being given before the Royal Commission now investigating the Textile industry. However, we can feel that the Dominion Textile Company, Limited has always recognized its responsibility towards its employees, its shareholders, and its customers, and we need have no fear that any negligence in these three capacities of trust will be found. Our plants and records have been thrown open to the Commission, and we believe that fair and unprejudiced examination of them will bear out this statement.

LIABILITIES



MONTREAL TORONTO WINNIPEG HAMILTON VANCOUVER

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GREAT BRITAIN, London, Resident representative: J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, JULY 4, 1936

Enough Diplomats Now

THE Prime Minister expresses the opinion that Canada ought to have more legations abroad. The suggestion is untimely, whatever else can be said of it. There is no evidence that Canada is suffering in its trade or diplomatic relations through any inadequacy in our representation in other countries. There is plenty of evidence that our overhead of government is too costly.

At the present time we have a High Commissioner's office in London—an indispensable office.

We have a legation in Washington. It has undoubtedly done much useful work. Under Sir Herbert Marler it is likely to be a more valuable office than it was under the gentleman whom Senator J. P. B. Casgrain referred to in the Senate the other day as "our national brother-in-law." The Washington legation has been costly. We have paid a large bill for tickling the vanity of Canadians.

We have legations in Paris and Tokio. Again each one has some accomplishments to its credit but these have been achieved only at very considerable cost.

We maintain an office at Geneva.

Throughout the world we have trade commissioners and no one who has studied the character of the work they do would begrudge the expenditure made on their maintenance.

Have we not built up a diplomatic service that is already more costly than we ought to have? We should not consider extending it until Canada grows in size and income. More legations would simply draw us inextricably into the entanglements of international diplomacy.

Balancing the budget is a more important consideration now than putting the Canadian crest on foreign buildings.

East and West Do Meet

IT HAS been of importance to both eastern and western Canada that numerous investment dealers from coast to coast have been touring western Canada for the past two or three weeks. Most of the bond men who attended the annual convention of the Investment Dealers' Association of Canada at Jasper Park Lodge took the opportunity to familiarize themselves with western Canada or to renew their past acquaintance with the great West.

Viewing the promise of bountiful crops on parts of the great plains, the grandeurs of the Rocky Mountains, and the beauties of the Pacific sea coast, could not have failed to impress the investment men of the great potentialities of the West. They are bound to conclude: "Don't sell it short." The fact is that western Canada has already seen some measure of recovery and should see more, and that for the longer term it should have a prosperous future. Even though it may take time for full prosperity to return, the emphasis on investor interests of the nation that western Canada is not down and out but is on the road back should eventually contribute much to national solidarity and western progress.

War or Peace

LOOKING back at the acute tension of recent months, Walter Lippmann feels a year of crisis has taught the negative lesson that covenants and consultations and machinery of conciliation are in themselves impotent and that to rely upon them, trusting that they possess some magic power, is one of the most dangerous of all delusions. They cannot and will not preserve the peace. At best they can make it more convenient to preserve the peace when in all other respects the weight of the world's power is on the side of peace.

The positive lesson, as he sees it, is that there are four minimum and indispensable conditions which must be met if great wars are to be avoided:

> "The first is that the pacific nations of Europe must be well armed and resolute. The second is that they must be united. The third is that they must relieve the tension by opening up the channels of trade. The fourth is that no one can feel secure again until responsible constitutional government replaces dictatorship.
>
> "In so far as the pacific powers increase their strength, unite and open up economic opportunity to all nations, they will be prepared for what might come, and before it is too late they may even help to bring about a return of lawful government and thus to establish a society of law-abiding nations."

Too Much Legislation

MANY corporations now have large departments doing nothing but making out tax returns and filling in questionnaires for governments.

Merely to keep in touch with legislation many companies have to have especially organized legal departments to keep them posted on new bills coming before the parliament, the provincial legislatures and the city councils.

The legislation committee of the Canadian Manufacturers' Association reported to the annual meeting in Quebec that during the past year bills to the number of 87 have been introduced into the Commons and Senate at Ottawa and to the number of 989 in the provincial legislatures. This was a total of 1,076, or about 3½ per working day throughout the year.

The cost of studying and reporting on these bills, of fighting many of the more fantastic ones comes doubly on the public. It pays in its taxes for the time spent by legislators in dealing with an avalanche of proposals. It pays in the cost of the products and services it buys for the business expense of studying them and fighting the worst of them.

Mr. Bennett's 10 Points

THE minds of most reasonable people will give a responsive echo to the plea of Hon. R. B. Bennett that Parliament should give fair play to the farm implement industry of Canada. It has lost millions of dollars during the depression because of the plight of the farmer, has narrowly escaped bankruptcy, has done its best to help the farmer by cash discounts, extensions on debts, and reduction of interest and principal, and improvement of products.

Mr. Bennett's indignation was aroused by the suggestion of the House Agricultural Committee that its enquiry into the causes of the "high prices of agricultural implements" should be continued in the next session.

As a thorough enquiry into the industry was made by the Price Spreads Commission in 1934 and 1935 and as the Tariff Board is always available to make such an enquiry as that now proposed, Mr. Bennett feels that the present probe is a waste of the time and money of every company in the industry, a waste of the money of Government and a waste of the time of members. This is a time when the intelligence and energies of executives, accounting and operating staffs of all companies should be concentrated on the problems of employment and giving service to the farmer. Why should they be required again to provide oceans of material for one more committee not specially qualified, and not likely to be impartial.

The industry, Mr. Bennett points out, was twice singled out for attention in the last year. Duties were reduced by the Canada-United States agreement and again dropped in the 1936 budget to a very low point without an investigation being made by the Tariff Board.

The following 10 points were outlined by Mr. Bennett as further reason why the industry should not be ridden so hard:

1st—Canadian farm machinery manufacturers honorably discharged their engagement of 1930 not to take advantage of the tariff by raising prices;
2nd—Canadian prices have not been materially, if at all, higher than United States prices;
3rd—The 1936 price increase was on a small range of implements and did not bring prices higher than 1930 level;
4th—The increase only restored the reductions of 1932;
5th—The industry aided farmers all it could during the depression;
6th—Losses on bad debts were enormous in depression;
7th—Recent tariff reductions divide the Canadian market with the United States;
8th—Canadian servicing and financing arrangements for the farmer are more extensive than those given by any other industry;
9th—Agriculture receives greater aid from the government than does the farm implement industry as shown by duties on fruit, vegetables, dairy products, livestock, poultry, cereals, by the lower freight rates on wheat given by the Crow's Nest Pass agreement, by the stabilization operations on wheat, and by the guarantee of a minimum price on wheat which entailed losses being paid by all other taxpayers of Canada;
10th—Parliament should definitely wake up to the fact that Canada is an industrial and trading nation of importance as well as an agricultural one if fair play is to be given all the way around.

The steam calliope of parliamentary enquiries is valuable to politicians in attracting the attention of voters but too much of such blaring music makes it difficult for serious people to get down to work. Mr. Bennett did a courageous thing coming to the defence of an industry that is more maligned than supported by most men in politics.

Who Is the Under-dog?

B. C. FORBES, in his magazine, asks who are the under-dogs of today. This Scottish-born, American editor, admits to having a natural impulse for the under-dog. He recalls that he was raised among people who had to toil hard for a bare existence. He has always felt himself drawn close to working-class folks. True, he has been regarded as one of the chief propagandists of rugged individualism in industry and finance. Yet he says that he has uncompromisingly denounced the exploitation of workers, farmers and has been accorded recognition as the friend of the laboring man.

Now, because he has defended business from some of the attacks that have been levelled against it by the demagogues, he is charged with having hardened his heart and sold his soul to merciless millionaires, cruel corporations and rapacious money changers.

Mr. Forbes states that he is still for the under-dog. But as he looks over the legislative and political picture, as it relates to the production of new wealth, he wonders who is the under-dog today. Employment-giving organizations are rapidly being made under-dogs. So are investors. The taxpayer is being transformed into an under-dog. And so, while there has been no change in his natural predilection for sticking up for the under-dogs, there has been a great change in the classifications constituting the under-dogs.

He says:

> "Making under-dogs of employers, making under-dogs of entrepreneurs, making under-dogs of investors is the surest way to make under-dogs of the wage earning classes by and by."

Editorials in Brief

The water in "watered" stocks is often the sweat of the men who built the company.

• • •

Favorite song of both political conventions in the States was "Hail, hail, the gang's all here!" This induces Franklin P. Adams in the New York Herald-Tribune to publish the original words of the song as taken from "The Pirates of Penzance." The last two lines of the chorus are:

"Let's vary piraçee
"With a little burglaree."

• • •

An American speaker predicts in the next 25 years the greatest boom of all times. The prospect is not pleasing, not if the boom that is forecast is just another of those pre-crash speculative fevers. But that there is genuine expansive prosperity ahead can hardly be denied. Two or three factors are at work. One is the broadening of the world's money base that threatens a world-wide upswing in prices and credit inflation that may be difficult to control. Another is depreciation, the fact that buildings, railways, and machines have been wearing out. A third is obsolescence, the fact that even those things that have not outlived their usefulness have been rendered out of date by scientific invention that has produced better materials, better methods, better products.

The notion that Capitalism is doomed because there are no new lands to exploit is nonsense and is less preached today than two or three years ago. Our economic system has plenty of room for expansion inside the present industrial and consuming world. Just to provide the people of this continent with the kind of homes everyone ought to have would involve more new capital investment, more labor, more profit than the discovery of a new continent.

Post-Scripts

Glass Train in Germany

A "GLASS" train is the latest novelty for travellers on German railways. The upper part of the train is almost entirely of glass and offers passengers an uninterrupted view of the surrounding scenery. In the hilly and mountainous country the improvement is especially attractive. It will be put into regular service for special excursions from Munich to a different destination each day.

The "Glass Train" is the third important break-away from conventional train design that German engineers have made recently — the other two being stream-lined locomotives and double-decker carriages.

Sayings of the Week

"The provinces are in dire straits."—*Senator Raoul Dandurand.*

• • •

"I have the right to express my views and I propose to do it."—*Rt. Hon. R. B. Bennett.*

• • •

"I wrote 'It Can't Happen Here', but I begin to think it certainly can."—*Sinclair Lewis.*

• • •

"Much study on the part of the cabinet is a weariness of the flesh."—*T. L. Church, M.P.*

• • •

"The American public can be trusted to vote down the tawdry, vulgar and banal." — *Will Hays.*

• • •

"When it comes to discussing the defense forces, Canada is a nation of villages."—*Senator W. A. Griesbach.*

• • •

"I do not think anyone can complain of the price of motor cars in the Dominion."—*Rt. Hon. Arthur Meighen.*

• • •

"The solution of our railway problem is either unification or increased railway rates." — *Senator A. D. McRae.*

• • •

"One discouraged employer may mean 10,000 idle men."—*Judge George W. Maxey, Pennsylvania Supreme Court.*

• • •

"There is a decided progress in world understanding despite some recent happenings." — *Edward R. A. Seligman.*

• • •

"Change is only dangerous when people do not really understand what it is they are trying to change."—*Alfred M. Landon.*

• • •

"Our railways will never reach a state of efficiency until our population reaches approximately 25 millions."—*W. A. Walsh, M.P.*

• • •

"No one thinks of American editors any more; everyone thinks of great sports writers, comic artists and columnists."—*Henry L. Mencken.*

• • •

"The Lord never intended the magnificent resources of the river St. Lawrence for the gentlemen of St. James Street."—*T. L. Church, M.P.*

• • •

"I hear threats and fulminations as to what will happen this body if we do not do as we are told."—*Rt. Hon. Arthur Meighen, addressing the Senate.*

• • •

"The cheap motor car has added more to the education of our people than any other single factor I can think of." — *Senator George P. Graham.*

• • •

"I sometimes make the statement, humorously, that the soldier settlement board is operating the largest mortgage business in Canada."—*Hon. T. A. Crerar.*

• • •

"I believe that when a tooth has to be pulled it is not wise trying to pull it out a millimetre at a time; it must be yanked out all at once."—*Adolf Hitler.*

• • •

"The government must carry the whole load of unemployment if the credit of the western provinces and municipalities is to be saved." — *Senator John T. Haig.*

• • •

"Our generation, especially since the war, has witnessed repudiation of solemn contracts on a scale never known before in the modern world." —*James Truslow Adams.*

• • •

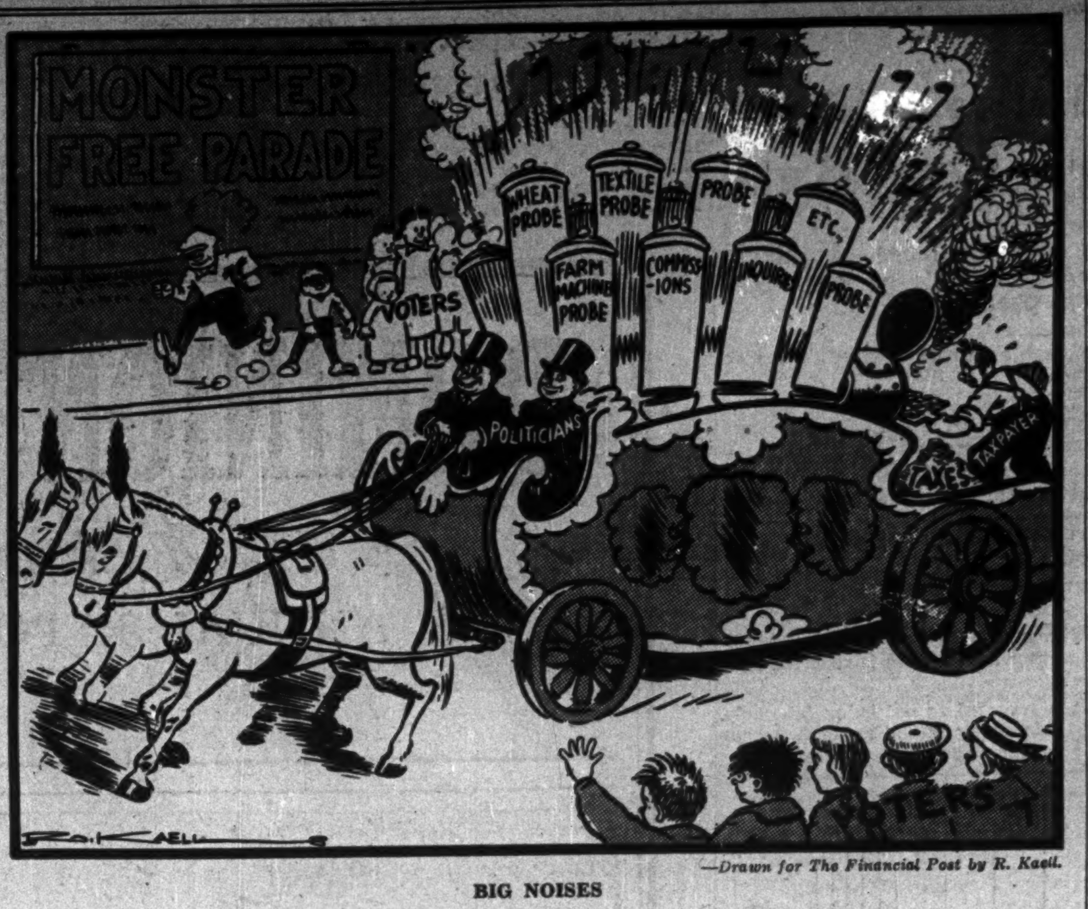
"From the premier of Ontario, I have received this communication; 'I am quite in agreement with your policy with regard to governmental finance'."—*Gerry McGeer, M.P.*

• • •

"We paid in relief last year about $900,000 for the care of Indians. I aim to create, if possible, conditions that will prevent the Eskimo from coming on relief."—*Hon. T. A. Crerar.*

• • •

"So long as there are men in the railway offices who are simply dealing with cold figures, so long shall we be disappointed in our efforts to grapple successfully with the railway problem."—*Tom Reid, M.P.*



—*Drawn for The Financial Post by R. Kaell.*

BIG NOISES

Machines Should Cut Prices

The continued existence of technological unemployment cannot be glossed over at a time when the hopes of reducing unemployment to normal proportions by the ordinary method of business revival are apparently being disappointed everywhere, says Harold Butler, Director of the International Labour Office, Geneva, in his report to this year's session of the International Labour Conference. This phenomenon, "the increasing failure to use man-power in ratio to the increasing intensity of the unemployment of capital," is clearly reappearing.

Displacement of labor by technical improvements, so far from being arrested by a depression, is apt to proceed at a more rapid rate. Employers, obliged to look for every possible economy in order to reduce costs, naturally seek first of all to cut their labor costs by introducing labor-saving methods and machinery wherever it is possible. With the return of better business the time for replacing old plant comes. Every alert manager naturally installs the best and the most modern machinery he can find, which in almost every case means some reduction, large or small, of the labor force. Hence his production develops at a much brisker pace than the numbers on his payroll, and the national unemployment register remains swollen to an extent which in older days would have been impossible.

Technological change, moreover, may lead to disproportionate production on a large scale, with drastic consequences when the disproportion finally makes itself felt. According to one estimate, technical improvements in agricultural production in the United States between 1919 and 1927 were sufficient to displace two and a half million workers, had the volume of output remained unchanged, whereas in point of fact only some 800,000 were actually discharged.

At the same time, no solution of these problems is to be found in restrictions upon the introduction or use of new methods and new machines. In Belgium an interesting attempt was made to encourage hand labor and to discourage the use of mechanical appliances on public works. After a full trial, however, the system was entirely abandoned as it was found too slow, too expensive and too laborious.

In Holland the government tried to substitute hand-threshing for mechanical threshing by offering a considerable bonus for hand-threshed wheat. Though the proportion of hand-threshed wheat rose immediately, the effect upon employment was not sufficient to warrant the continuation of the experiment.

In Spain, Czechoslovakia, Holland, Italy and other countries legal restrictions have been placed on mechanical development, and similar action was taken under some of the codes in the United States. Such measures may have some temporary result; but technological unemployment cannot be combated by preserving antiquated methods by artificial means.

The real problem is to ensure that the economies in wages effected by mechanical improvements do not reduce the volume of available consuming power. Where they are used to reduce prices, the benefit to the community as a whole is in compensation for the temporary loss of employment by some of its members. If they are used to increase the wages of the workers left in employment to reward their increased productivity, a general benefit again results. But where, as in the United States before the depression, prices are maintained at a stable level, while profits increased much more rapidly than wages, a state of disequilibrium is set up, which is bound to have serious economics and social consequences.

Where Are Ford's Profits?

W. J. Cameron, of the Ford Motor Company

A third of a century of business stewardship calls for a statement. . . . In 33 years this company has exchanged 24,500,000 cars and other products for $12,951,338,028. It has paid out $12,109,321,884 for materials, labor and taxes. That leaves $842,016,144. Deducting from this the always current obligation of $60,000,000 for commitments made, taxes accruing, and for wages coming due, there remains $782,016,144 as the so-called profit for the work of 33 years—less than was spent last year to run the factory. It looks like a lot of money; of course it isn't all in existence now; most of what remains of it is not in the form of money at all, but in bricks, furnaces, machines, power houses, and so forth.

Now, the profit is that part of the purchase price which a customer pays this company for rendering him its special type of service, and a customer is sometimes curious to know just how much that is. . . . The average profit to the company on a car is about $20. . . . An insignificant price to pay for the vast economies and improved service the Ford Motor Company has created, for the employment and diversified business it has stimulated, the amount of capital it has circulated, and for the immense risks it has constantly taken. What now remains of that profit is at work, being used in the employment of men and the production of goods. . . .

The real profit of any useful business, however, cannot be stated in dollars. The profit of a loaf of bread is not in the pennies received by the baker, but in the nourishment of the family that uses it. What people buy must be worth to them more than the money they pay, or they would not buy it. Critics of the so-called "profit motive" miss the point that the major profit is always in the article produced, and in legitimate exchange the user's profit is always greater than the maker's. The real profit-taker is the public—business could not continue otherwise. Great as the values are that have flowed toward the Ford Motor Company during these years, immensely greater values have flowed from it. From the observation of 33 years we see that 94% of the money that came in to us, immediately went out again as money, and much of the other 6% went into improvements and economies for the public benefit. But for each 100% of raw or unfinished material values that came into our factories, 150 to 300% in material values went out again. That is the way true wealth is increased. . . .

What became of that money? It has gone to increase the "common wealth" of the nation. It nourished and reared and educated and started out in life two generations during these 33 years. It built homes and schools and churches and workshops and machines and farms and cities. It belongs to no one, it belongs to everyone. That is the destination of profit as of any other money.

The Only Way to Wealth

Lethb[illegible] Herald

Two schools of thought are now battling for supremacy in the present economic muddle. We do not refer to social credit, socialism, communism or any of the other theories which are so freely bandied about. We refer in particular to the two schools in industry—one which would produce the most goods possible under most efficient organization and give the consumer a break by low prices and wide distribution; the other school in favor of high prices, high wages and restricted output and distribution.

The other evening we listened to an address by Alfred P. Sloan, Jr., president of General Motors, who was speaking at San Francisco. Mr. Sloan declared that the end-all of industry must be the distribution of goods to the largest possible number of people, in order that our standard of living may be bettered, and that people may be taken off the relief rolls and put on the payrolls fabricating more and more goods. The doctrine of scarcity, he declared, must be frowned upon at every turn.

The Financial Post of Toronto lends support to a similar view by quoting a French economist, Andre Siegfried.

High standard of living cannot be brought about by restriction of production. It can only be brought about by increasing production and cheapening the cost of goods so that they may be enjoyed by more and more people. That way lies contentment through our labors. Restriction of production means only restriction of employment and restriction of buying power, with consequent lower standard of living. Unfortunately the world's restrictionists have been in the saddle the past few years. It has taken us some time to learn the lesson. We doubt, in fact, if the majority of the people have learned it. We may have to suffer a few more years until we learn that high production and wide distribution will put everyone to work and give all a better standard than ever before. It's a hard lesson, but if it is properly learned the world will be well repaid for the suffering it has experienced.

Other People's Views

Trade Discrimination

Canadian Grocer

Whether or not the majority decision in favor of the constitutionality of Section 498A of the Criminal Code (if upheld by the Privy Council) means much will have to be decided by experiences in the future. This section makes it criminally illegal for a manufacturer to give a discriminatory discount, rebate or allowance under certain conditions. But the question arises as to how the section is going to be enforced. It may not be difficult to check up on allowances and rebates given by manufacturers that are discriminatory, but because there are ways and means of getting around the law, the final result may be the same as if trading were free and open. According to the best legal advice, manufacturers may purchase services from distributors and pay a sum based on what they consider they are worth. They may also be allowed to name a net price to one favored buyer which may not be the same to all even on like quantity and quality and if they all purchase at the same time. If this can be done, one distributor is bound in practice to secure a better net price than another and one may also secure more money for certain services than another because these services are not all uniform in value.

Past experience, too, has shown how easy it is for a manufacturer to deliver 1,110 cases and charge for only 1,000; he can deliver a high quality line and show a charge on the invoice for one of inferior grade; he can hand out a cash rebate to a buyer who will accept it without any record of that transaction appearing on the books of either buyer or seller. These are all difficult things to control and even if the Privy Council agrees with the majority opinion of the Supreme Court, the idea behind Section 498A may not work out as Ottawa expects.

Good News Neglected

V. R. Smith, general manager of the Confederation Life Association, in an interview in Canada's Weekly, London

I must confess to feeling a little disappointed that, generally speaking, so little seems to be known in Britain of Canadian affairs that really matter. Indeed, some of the events of first-class importance to the Dominion, and, therefore, of some moment to the rest of the Empire, seem to pass almost unrecorded in the old country press. For instance, one would have expected that Mr. Dunning's excellent budget and the concessions made on British imports into Canada, would have received a great deal more attention in Britain than apparently was the case.

On the other hand, a totally disproportionate emphasis is too often placed upon unorthodox happenings. The adoption of social credit by the provincial government of Alberta was given a prominence likely to obscure the fact that merely one thinly-populated province was concerned, whose total indebtedness was only some £30,000,000; a sum, serious enough for Albertans, it must be admitted, but slight when compared with the resources of the Dominion.

As Others See Us . . . . .

May Be "Retroactive"

Durham Chronicle

The Toronto Financial Post wants to know if the Dionne quintuplets, whose income is said to be in the neighborhood of $250,000 annually, have paid any income tax. It bothers the Post, because it says some day some member of parliament is goin[illegible] ask questions in the House. Probably the Government will do as it has in some cases in the past—[illegible] a few years and then make [illegible]s "retroactive."

Stop Me If You've Heard This One . .

Lecturer (in village hall)—Now you all know what a molecule is—.

Chairman (interrupting) — Most of us do, but perhaps you'd better explain for the benefit of those who have never been up in one.

Practical Banker Speaks His Mind . .

Those who oppose tampering with the present monetary set-up were afforded a substantial store of ammunition with which to support their case in an address by F. C. Biggar before the Rotary Club of Montreal last week. Excerpts from Major Biggar's speech, in which he maintained the record of the Canadian banker is one "of which he need not be ashamed," follow:

There are quite a number of people in Canada who would like to make the banks whipping boys for the community, urging that they should be punished for all the troubles we face today. They lay upon the bankers alone the responsibility for the depression and its calamitous results.

They say, for instance, that the reason for the stagnation in business is that the banks will not lend money sufficiently freely to start things going. Does such an accusation make sense? Since the banks get from loans nearly twice as much income as they do on the average from an equal investment in bonds, is it not obvious that banks will lend as freely as they dare? I venture to say that every general manager in Canada would be almost as delighted if the total of his loans were doubled as he would be to win the Irish Sweep.

• • •

Perhaps you are a convert to the doctrine that bankers manufacture money out of thin air with their fountain pens. Were that theory true banks need never fail, despite bad debts and frozen assets, for they would create at will all the money they needed at any time to meet depositors' claims. Yet banks do fail.

Canadians, through lack of experience, do not fully appreciate the cost to the community of bad banking for only one bank has failed in this country since 1920. Our neighbors to the south—where bank money is brought into existence in exactly the same way as it is in Canada—have not, however, been as lucky as we.

In June, 1920, there were just over 30,000 banks operating in the United States. From that date until the end of 1934 more than 13,600 banks in that country suspended payment—that is, over 45% of the 1920 total.

I should like that appalling record to sink into the minds of Canadians for of these failures probably 99% were due to bad debts and lending against mortgages and other fixed assets, or in other words, unsound banking. These statistics demonstrate beyond argument the complete absurdity of the "money from thin air" theory.

• • •

Each year part of the earnings of every bank must be set aside for write-offs because no banker worth his salt can entirely escape loans which turn out badly. If he never loses money he must be lending only where there is no risk whatsoever. He is, therefore, contributing little to the productive output and wealth of his community and is besides missing a lot of good and profitable business. His earnings in consequence will be negligible.

If, on the other hand, in striving to make big profits he tends always to underestimate the normal hazards of lending all his earnings, and probably more than all, will be absorbed in writing off losses.

Those contrasting dangers are the Scylla and Charybdis between which a good banker must learn to steer. To the extent that he succeeds in choosing a middle course I maintain he is serving to the fullest possible extent the true interests of the whole community, as well as those of his bank, for he is then granting to borrowers the maximum accommodation which he can give without endangering the safety of his depositors.

• • •

Some people urge that the chartered banks should be nationalized and that all banking operations should be a government monopoly. They think that if the government undertook the job of making commercial loans it could afford in judging the claims of borrowers for credit to be much more lenient than we private bankers can dare to be. They believe also that this greater freedom in lending would cure the shortage of money, from which they claim Canada is suffering today. We might examine these claims and beliefs and see whether they are based on realities.

Whether the banking business is under government or private administration loans which borrowers can't or won't repay mean losses which must be covered by someone else. Loans, which are a bank's assets, create deposits, which are its liabilities, and if at any time its liabilities exceed the realizable value of its assets the bank is no longer solvent.

Frozen loans are useless in meeting depositors' demands for cash. Assuming banks were nationalized, unless the government followed sound banking practice a time would come when the depositors could not get their money when they wanted it, and either they or the taxpayers would have to take a loss. There is no good reason why either depositors or taxpayers should be asked to pay for a government's mistaken altruism in lending carelessly.

• • •

We might glance at the justification for the claim that what we need in Canada is more money, and that it is the lack of circulating medium which handicaps recovery. Actually, though money is badly distributed and is circulating very slowly, there is no shortage in the total supply.

Consider the facts. Interest rates are lower now than at any time within 30 years. That is a pretty effective test that money supplies are ample, but bank figures give a further confirmation, for total bank deposits in Canada are now $144 millions higher than the average of 1927, a year of great and increasing business.

We are blinding ourselves to realities when we conclude that variations in the supply of money are the principal cause of our distress and that to restore prosperity it is necessary to manipulate money in some way.

Week in Business

Auto Sales Unaffected By Fall Introduction

Increase in Both Value and Volume of Sales in 1936 — Employment Total Higher

One of the main reasons for better business thus far this year has been the increased volume of motor car sales. The fact that people have the money to buy, and are willing to buy, what only a few years ago were termed luxuries indicates a tendency to "loosen up" in spending.

Some had thought the introduction of new models last fall instead of in the spring as has been customary would have an adverse effect on spring sales this year. Such has not been the case. With the exception of February, each of the first 5 months of 1936 has shown a marked increase both in volume and value of cars sold. To the end of May, 62,307 new cars, trucks and buses had been sold in Canada, the highest number in some years. Sales represent an increase of 10% in number and 13% in value over 1935 figures.

The benefit of increased public demand attaches, of course, not only to the motor industry directly, but to a host of subsidiary operators, and in fact permeates a large section of the industrial life of the Dominion.

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Employment Trend Improved

The employment situation at the beginning of June was both encouraging and disappointing. Encouraging because some 23,296 more persons were working than a month previously; disappointing because the gain was less than seasonal, the index of the Dominion Bureau of Statistics thus dropping from 102.4 at May 1 to 100.5.

Throughout this year, however, those who contend that the number employed is the real indicator of a nation's prosperity have been given considerable grounds for optimism. To date this year employment has been steadily maintained at a level about 4 or 5% above last year's figures, the highest since 1931.

Improvement in May was noted particularly in food and lumbering manufacturing divisions, and in logging, mining, transportation, highway and railway construction and maintenance, services and trade. Building construction was less active.

• • • •

Currency Unrest Impedes Trade

Although industrial production and general business activity have shown substantial improvement, lack of confidence in the currency situation is proving a major deterrent to further progress, is the attitude taken by the Bank for International Settlements. The annual report of the "bank for central banks" has the following to say in respect to the business situation:

> "The normal cyclical swing is now upward. Primary products are again in greater demand and are being sold at better prices. International indebtedness has been substantially reduced and a large measure of de facto exchange stability between the principal currencies has been maintained for fully a year. But monetary restrictions continue to hold the field in a large part of the world, hampering finance and commerce, and in international dealings confidence in currencies is still widely lacking. Industrial production has advanced well in a number of countries but international trade has not made a corresponding improvement. The growth in foreign trade has in the first place been in raw materials, while manufactured articles penetrate only with difficulty the barriers surrounding national markets. The world has once more to learn the lesson that trade grows best when freed from fetters."

Changes of the Week

Favorable

Employment at June 1 was more than 4% above the June, 1935, level.

Automobile sales, while off seasonally, maintained the advance over 1935 noted in preceding months.

Carloadings increased by 2,160 cars in the week ended June 20 compared with the previous year. Heavier shipments of coal, livestock, ore and miscellaneous items contributed largely to the higher total.

Unfavorable

Bank debits, despite gains in the Maritimes, Quebec and British Columbia, were down about 5% in May compared with a year ago.

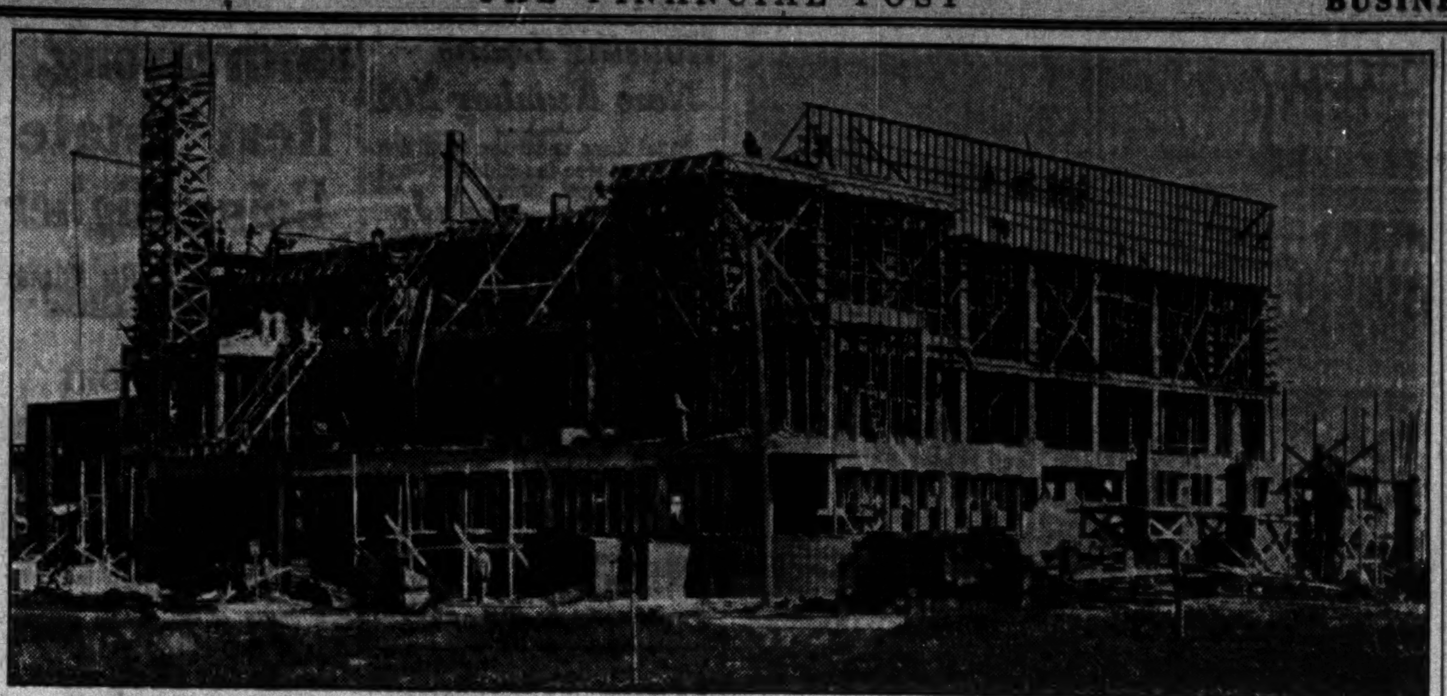
Motor car production and exports were slightly lower in May than in the same month last year.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (June 20)	▲45,740	43,580	1,078,917	1,068,549
C.N.R. gross earn. (June 21) $	▲3,432,702 $	3,366,787 $	81,075,702 $	75,891,587
C.P.R. gross earn. (June 21) $	▲2,493,000 $	2,373,000 $	58,441,000 $	51,337,000
Business Conditions—				
Weekly index D.B.S. (June 20)	▲108.5	98.7	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (May)	106.1	90.6	......	......
Transportation—				
C.P.R. net revenue (Apr.) $	1,337,467 $	1,412,597 $	4,165,161 $	3,514,292
C.N.R. net revenue (May) $	▲933,551 $	654,527 $	2,465,508 $	2,063,221
Iron and Steel (May)—				
Pig iron production (tons)	58,832	45,432	283,973	215,222
Steel ingots and castings prod. (tons)	94,602	72,811	496,504	314,713
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	▲15,854	13,858	51,598	47,338
Factory output (May)	▲16,389	17,093	73,238	78,114
Trucks and Buses:				
Domestic sales* (May)	▲3,239	2,717	10,709	9,068
Factory output (May)	▲3,617	3,672	16,310	17,470
Exports (May)	▲4,214	4,684	24,337	31,380
Construction—				
Building permits (May) $	4,160,988 $	4,728,340 $	12,914,830 $	19,535,656
Contracts awarded (May) $	14,962,800 $	16,302,400 $	56,905,100 $	57,073,100
Newsprint (tons)—				
Production (May)	267,067	242,693	1,219,212	1,054,253
Exports, tons (April)	192,893	158,923	818,417	696,453
Sugar (lb.)				
Melting & shipments‡ (raw)	92,560,733	80,171,459	207,081,288	197,493,501
Manufactured‡	86,330,367	77,519,642	199,930,805	207,027,807
Flour (bbls.)—				
Production (Apr.)	1,009,464	965,765	4,182,210	3,978,227
Wheat flour exports (May)	448,653	383,221	1,861,001	1,813,384
Trade—				
Retail trade (index no. of sales) (Apr.)	70.7	69.5	......	......
Imports (May) $	59,012,669 $	54,539,747 $	236,285,406 $	213,640,704
Exports (May) $	▲83,819,751 $	65,496,251 $	343,966,944 $	291,528,044
Wheat exports (bush.) (May)	27,316,983	11,989,891	68,824,021	38,510,499
Employment, D.B.S. Index (June 1)—				
All industries	▲102.0	97.6	......	......
Manufacturing	▲103.4	98.4	......	......
Electric Power Output (May)—				
Total monthly (000's omitted)	2,063,045	1,923,071	10,411,384	9,563,844
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (May)	136,894	129,517	485,035	457,365
Boot & shoe prod., pr. (Apr.)	2,065,587	2,026,464	7,525,384	6,875,185
Crude petrol. imp. gal. (May)	103,517,363	131,131,917	323,829,524	328,749,567
Cotton imports, lb. (May)	9,858,993	6,316,015	62,202,905	43,654,569
Raw rubber imp., lb. (May)	4,974,572	8,800,907	19,636,856	26,724,581
Coal imports, tons (Apr.)	492,870	652,071	1,982,650	2,152,419
Finance—				
Bank debits (May)† $	▲2,979,199 $	3,132,209 $	14,111,283 $	12,505,825
Bond sales (May) $	▲45,531,750 $	70,542,182 $	544,578,864 $	208,452,156
Life insurance sales (May) $	28,977,000 $	27,423,000 $	155,483,000 $	149,443,000
Automobile Financing—				
Used cars (Apr.) $	2,876,257 $	2,123,201 $	6,525,596 $	4,707,853
New cars (Apr.) $	4,250,685 $	3,250,246 $	8,470,752 $	6,794,688

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to May 16.



NEW MARKET FOR WESTERN LIVESTOCK

Completion of Canada Packers Edmonton plant by Bird Construction Co. will provide a new and much closer outlet for the growing volume of livestock coming out of northern Alberta. In the last few years farmers in that district have been turning more and more to high class bacon hogs as an offshoot of dairying. The new plant, shown above, should be ready to cope with the natural flood of livestock to market this fall.

Background of Business

Paint Manufacturers Hoist Price Schedule

Action Follows Rise in Tax and Raw Material Cost — Travel to Europe in for Record Season — Grapefruit Bricks Now

Paint manufacturers celebrated Dominion Day by effecting an increase in the price of their products.

Action was taken on the recommendation of the Canadian Paint, Oil and Varnish Association that first quality house paint be hoisted 20 cents a gallon, second grade 10 cents and enamels 20 cents. Clear varnishes were recommended to be hoisted at least 30 cents a gallon over 1935 prices and all other lines are advanced "in keeping including such factors as sales tax increase and increase in cost of raw materials."

This change is the first major price revision by paint people since the big reduction last fall in first quality house paint. Business has been particularly good this year with most manufacturers and retailers reporting heavier volume.

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Codes For Printers

First major test of law enforcement under an industrial code for the printing industry in Canada became effective recently under the Arcand Act in Quebec, says Canadian Printer & Publisher. Employers and employees have signed an agreement regulating hours of labor and rates of wages to be paid in the various classes of employment. The plan is a result of months of negotiation, and all printing plants whether separate enterprises or adjuncts of any other institutions from the island of Montreal and within a radius of 100 miles of the island limits are affected. On the island, only daily newspapers are excepted, while outside the island weeklies are exempted until September 1.

Day shifts will work 48 hours, while night shifts will work 45. Provision is made for time and a half for the first three hours and double time for any additional overtime on Sundays and holidays.

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Grapefruit Bricks

Reports from New York refer to a secret process of freezing citrus fruit juice into a solid block for shipments throughout the country, says Canadian Grocer. It is said to have proved so successful that the first unit of a juice processing plant is being erected at Fort Pierce, Fla.

The new process puts the juice in bricks without use of sugar or preservatives of any kind. When the brick melts, you have what amounts to fresh juice. A corporation is reported to be under way now in New York City for the handling of the business.

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Canned Beer in U. K.

First supplies of canned beer are now on the British market. One company (Metal Box Co.) is reported to be producing 100,000 cans a day. Four breweries are actually canning beer and seven others definitely have placed orders for cans. More than 80 leading brewers are experimenting.

One field for the new product is the opening up of new markets, particularly abroad. Freight and insurance charges on glass are so high in the case of bottled beer that its export is limited. Unbreakable cans open up an export market said to be hitherto non-existent.

Plans are also on foot to produce a can suitable for containing whisky, but this development at the moment is only in the experimental stage.

• • •

Schick News

Schick dry shavers, now manufactured at Stamford, Conn., will be made in Canada for world trade exclusive of the United States, and Colonel Jacob Schick will move from Stamford to Montreal, says Business Week. A plant has been bought at St. Johns, Que., two carloads of machinery have been moved in, first unit will be in operation by autumn.

Schick Shaver, Ltd., will be entirely separate from the American company. A British sales branch controlled from Canada will be opened in London. Col. Schick formerly lived in British Columbia. He will now build at Montreal a replica of his Connecticut home.

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Light For Health

Important developments in food manufacturing are expected from a new gas-filled tube that kills mold and bacteria.

The tube is named "Sterilamp" and comes from the research laboratory of Westinghouse Lamps Co. It generates a radiant ultra-violet light of a wave length said to be highly germicidal by nine years of tests.

Inexpensive to use, these light tubes are being used particularly by meat packers who find that ageing ordinarily requiring three to four weeks can be effected in three or four days with no mold or bacteria, less weight loss and only surface trimming. Bakers and dairymen are said to be similarly interested.

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Ocean Boom

Inspired doubtless by the Queen Mary boom, piers of transatlantic steamship companies are swarming with the largest crowds of European-bound passengers for many years. Every major sailing from New York until mid-July is already sold out. Individual lines report business as much as 45 per cent better. The average improvement in Atlantic trade is said to be between 15 and 20 per cent.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$5.50	$7.65
Hogs	9.75	9.60	10.75
Copper, lb.	.09½	.09½	.08
Cotton, lb.	.1243	.1223	.1220
Rubber, lb.	.16	.1581	.1243
Sugar, raw, lb.	.0376	.0376	.0329
Silk, lb.	1.66	1.59	1.42
Wheat (Man.) bus.	.82⅛	.83⅝	.80¾
Coffee, lb.	.07¼	.07	.06⅝
Weekly Indices			
N. Y. Annalist	122.6	120.8	121.7
Fishers'	82.5	82.3	82.0
N. Y. Journal of Comm.	80.5	79.5	78.2
Crumps (Brit.)	68.2	68.0	64.8
U. S. Labor	78.7	78.7	79.3
Canada (D.B.S.)	72.4	72.2	71.5

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (May)	80.1	79.8	78.6
W'sale (May)	71.8	72.2	72.2
U. S. Labor (Mar.)	79.6	80.6	79.4
Gt. Brit. (Mar.)	91.7	91.7	86.9

Note: The base of indices is that 1926 equals 100. British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Dominion Textile Dissects Wage Bill

From Our Own Correspondent

MONTREAL.—Mill wages paid out by Dominion Textile Co. during the last seven fiscal years have amounted to 86.26 per cent of all payroll, with head office executives receiving 2.92 per cent, administration and sales staff accounting for 5.20 per cent and mill superintendents getting 5.62 per cent, according to a statement filed by the company with the Turgeon Royal Commission, investigating conditions in the textile industry.

During this period, the statement shows, total salaries and wages paid had declined 16.76 per cent on the basis of the 1930 index of 100, but mill wages had dropped only 1.59 per cent by 1936, against a reduction of 35.4 per cent for head office executives.

Bruck Silk Mills Reduces Dividend

From Our Own Correspondent

MONTREAL.—Directors of Bruck Silk Mills Ltd. have declared an interim dividend of 10 cents a share, payable July 15 to holders of record July 6.

For the past 4 quarters, dividends at 30 cents were paid, being at the rate of $1.20 a share per annum.

Reduction in the dividend rate was not unexpected, as there has been considerable pressure on the market value of the stock for several weeks. On the other hand statements issued by the company have been encouraging.

Small Change Recorded In Business Activity

The Financial Post regional indexes of business activity showed exceptionally little change in May as compared with the preceding month. Gains were recorded in the Maritimes and the Prairie Provinces, the other 3 areas showing slight recession.

During the first 5 months of this year the index for the Maritimes has shown continuous advance, practically offsetting the declines of late 1935. Activity of the other 4 areas has not altered greatly since the beginning of the year, but important gains are apparent over the same period a year ago. In 1935, particularly in the last half of the year, a marked advance was made by these 4 areas.

May records indicate increases in new business of the construction industry. Electric output was considerably greater and employment also higher in British Columbia. Bank debits, up in Ontario and the Prairies, declined in the other 3 areas. After seasonal adjustment, life insurance sales were lower in all areas. Typical industries of Quebec reported greater activity; those of Ontario recession. Wheat receipts in the Prairie Provinces were heavier, although prices were somewhat lower.

TREND OF BUSINESS IN 5 ECONOMIC AREAS

	May, 1936	May, 1935	April, 1936	Inc. or Dec. May, 1936-1935
Maritimes:				
Construction contracts $	3,214,000	1,967,000	395,000	+61.8
Building permits $	233,000	178,000	147,000	+30.9
Life insurance sales $ 000	1,755	1,639	1,819	+7.1
Bank debits $ 000,000	50.9	47.5	47.8	+7.2
Electric power kw.h. 000	56,963	57,830	59,288	—1.5
Employment 1926 = 100	103.4	101.6	103.4	+1.8
Tonnage of vessels, cleared, Saint John	134,483	152,934	214,839	—12.1
Index	110.4	100.3	109.0	+10.1
Quebec:				
Construction contracts $	2,287,000	2,418,000	3,440,000	—5.4
Building permits $	696,000	1,628,000	445,000	—58.8
Life insurance sales $ 000	7,848	8,196	8,606	—4.2
Bank debits $ 000,000	892	858	827	+4.0
Electric power kw.h. 000	1,050,174	1,061,757	1,139,601	—1.1
Employment 1926 = 100	99.8	93.8	96.4	+6.4
Imports of raw cotton lb.	9,858,993	6,316,015	7,122,912	+56.1
Newsprint production tons	267,067	242,684	258,721	+10.0
Index	128.1	119.1	129.2	+7.6
Ontario:				
Construction contracts $	6,156,000	6,166,000	4,492,000	—0.2
Building permits $	2,140,000	2,152,000	1,330,000	—0.6
Life insurance sales $ 000	12,902	11,974	13,542	+7.8
Bank debits $ 000,000	1,305	1,360	1,134	—4.0
Electric power kw.h. 000	672,355	535,894	664,254	+25.5
Employment 1926 = 100	104.7	101.6	103.4	+3.1
Livestock slaughterings, 1926 = 100	133.4	129.3	136.2	+3.2
Steel production tons	94,602	72,811	107,220	+29.9
Automobile production No.	20,006	20,765	24,951	—3.7
Index	111.5	103.4	112.8	+7.8
Prairie Provinces:				
Construction contracts $	2,894,000	2,644,000	785,000	+9.5
Building permits $	539,000	398,000	778,000	+35.4
Life insurance sales $ 000	3,867	3,497	3,674	+10.6
Bank debits $ 000,000	567	730	497	—22.3
Electric power kw.h 000	129,400	113,655	136,632	+13.9
Employment 1926 = 100	97.7	92.2	92.7	+6.0
Wheat receipts bush.	5,506,000	5,626,000	4,620,000	—2.1
Wheat prices $ per bush.	.768	.857	.805	—10.4
Index	111.5	106.0	111.2	+5.2
British Columbia:				
Construction contracts $	412,000	3,087,000	703,000	—86.7
Building permits $	552,000	313,000	496,000	+76.4
Life insurance sales $ 000	2,373	1,836	2,237	+29.2
Bank debits $ 000,000	163.8	136.7	167.9	+19.8
Electric power kw.h. 000	140,503	126,985	131,755	+10.6
Employment 1926 = 100	102.2	96.6	99.0	+5.8
Tonnage of vessels, cleared	964,931	945,453	1,036,560	+1.9
Index	113.7	104.6	118.8	+8.7

Quebec Power Rates Studied

Commission Opens Enquiry on Rate Structure in Quebec City

From Our Own Correspondent

MONTREAL.—Quebec Electricity Commission has begun enquiries into the allegation that the Quebec Power Co.'s rates were excessive.

Complaints against company rates were lodged by Quebec City, whose witnesses were Mayor Gregoire, City Engineer Hamel and Dr. Phillipe Hamel, of Quebec City, and Arthur Surveyor, engineer from Montreal.

J. E. Tanguay, general manager of the power company, replied briefly to the city's charges after Dr. Hamel had urged the company be ordered to put into force tariffs for electric service.

These tariffs, he said, have been recommended in the expert's report for which the city in 1933 had paid $25,000.

August Frigon, Commission chairman, said it was proposed to handle the case as an arbitration commission and ask both parties to limit themselves to presentation of facts.

New Industries

Bitumen Plant, McMurray, Alta., will be enlarged to 30 barrels, daily capacity, according to R. C. Fitzsimmons, president. The product is used in roofing material, paints, paving and similar materials. (Edmonton Journal)

Metcalfe Foods Ltd., Whitby, Ont., is opening a canning plant to operate this year and will be used for packing corn. A branch plant will be established at Deseronto. (Canadian Grocer)

Enterprise Foundry Co., Ltd., Sackville, N.S., has commenced construction of an addition to the plant, the new structure to provide further facilities for research. (Saint John Telegraph Journal)

Dominion Explosive Products will locate in Trenton, Ont., and construction of the main building will start in August, according to W. H. Ireland, vice-president. Twenty-eight subsidiary plants eventually will be moved to Trenton to supply products used by the main industry. Mr. Ireland declared that when all plans are completed, the corporation will be valued at $3 millions. (Oshawa Times)

Reuter Products, Ltd., has recently been incorporated at Flin Flon, Man. Equipment will be installed at Winnipeg to manufacture clay products, using their clay deposits at Cranberry Portage. (Northern Mail)

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The Daily Commercial News notes that:

John Duff & Sons, Hamilton, is to have a new meat packing unit and alterations, the reinforced concrete and brick construction to cost up to $75,000.

Imperial Tobacco Co. of Can., Montreal, will spend about $6,000 on an extension to the boiler room at the manufacturing plant.

Canadian Paper Co., Windsor Mills, Que., has let the contract for fabrication and installation of a precipitator unit, 15 ft. in diameter.

Canadian Industries, Ltd., Montreal, has begun work on a plant for manufacture of trichlorethylene at Shawinigan Falls, Que.

J. M. Schneider & Sons, Ltd. Kitchener, Ont., will construct a $40,000 freezing plant on top of an existing two-story unit.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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QUARTERLY REVIEW
of Canadian business

In addition to a general review of Canadian business for the second quarter of 1936, the current issue of The Quarterly Review includes a summary of corporation public financing, from 1932 to date. Write for a copy.

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Authorized Capital 3,000,000 Shares of $1 each

Mr. Reg Halladay, President of the Company, has supplied us with the following information:

PROPERTY: Numaque Mining Co. (N.P.L.) was incorporated under the Quebec Mining Companies' Act on June 12th, 1936, to acquire and develop thirteen claims and three fractional claims held under mining licences, comprising approximately 548 acres, in Bourlamaque Township, County of Abitibi, Quebec. The property lies to the northeast of, and adjoins that of Sigma Mines, Limited (controlled by Dome Mines, Limited) which is adjacent to the property of Lamaque Gold Mines, Limited (controlled by Teck-Hughes Gold Mines, Limited); and adjoins the Bidlamaque property on the west. The property acquired by this Company was previously controlled by Read-Authier Mine, Limited, through its control of the Nu Sigma Gold Syndicate Limited (recently incorporated into the Auriac Mines, Limited). The latter company has been formed for the purpose, among others, of holding the 1,200,000 shares issued for the properties now owned by Numaque Mining Co. (N.P.L.). Numaque, therefore, will be the third development out of the Read-Authier group of mining claims, the other two being Sigma Mines, Limited, and Lamaque Gold Mines, Limited, whose properties are contiguous, as mentioned above.

PROPOSED DEVELOPMENT: The Company has issued 5 shares to incorporators for cash and 1,200,000 fully paid shares to the Vendors for the properties and a financing contract has been arranged covering the balance of 1,799,995 shares of authorized stock under which $100,000 will be paid into the Company's treasury on July 2nd, 1936, and options are outstanding which, if exercised in full, will provide the treasury of the Numaque Mining Co. (N.P.L.) with an additional $1,404,990. Before commencing underground exploration the management has decided to undertake an intensive campaign of diamond drilling. This has already been started and the $100,000 above mentioned, should be more than ample to defray the cost of this work.

The development work will be carried on under the supervision of Arthur Notman, E.M., and W. A. Hooton, E.M. Mr. Hooton was associated with the Siscoe mine when it was brought into production in 1929.

DIRECTORS: Directors and Officers of the Company will include:—Reg Halladay, Halladay & Co., Members New York Stock Exchange, New York, *President*; E. Stuart McDougall, K.C., of Wainwright, Elder & McDougall, Montreal, *Vice-President*; Louis Brochu, President Read-Authier Mine, Limited, Montreal, and Edward F. Seagram, Vice-President Dominion Life Assurance Company, Waterloo, Ontario.

GENERAL: While the full potentialities of the Company's property can only be determined when the proposed development programme is completed, the geology of the property is particularly favourable and, because of its immediate proximity to the Sigma and Lamaque Mines, the ore bodies of which occur under geological conditions similar to that of the Company's property, there is good reason for believing that the Numaque property has reasonable possibilities of developing into a producing mine. The Company is assured of ample funds to carry out the exploratory work, which will be done under the best of auspices.

Price: 60 cents per share
(Subject to Prior Sale)
Proceeds of the sale of these shares will not go into the treasury of the Company.

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In The Construction World

Suburban Building

BUILDING permit statistics of the larger Canadian cities do not give a true picture of Canadian construction activity. Particularly does this hold good of the large eastern centres like Montreal, Toronto and Hamilton. Adjacent to such places much new building is taking place in the suburbs. Unless the metropolitan areas are also included in the statistics, the very considerable amount of new housing, for instance, will not be shown. Nor will the figures covering many new plants and plant additions be reported.

* * *

Decentralization

GENERALLY speaking, vacant land in the larger and older cities of eastern Canada is getting scarce. Coupled with this natural development is the rising trend of population movement to the more open suburban areas. Indeed with the advent of cheap motor cars and hard surface roads, this trend is expected to increase all over the continent. Cities of the future are expected to be much more open affairs, with workers living farther and farther away from their places of employment. And by the term worker is not meant the unskilled and semi-skilled laborer only, but right through the whole scale to the executive who commands the highest salary.

Moreover, decentralization of industry, as continuously boosted by Henry Ford, is gradually taking hold. The recent depression demonstrated to many city workers the advantage of retaining some roots in the soil. Where the home included sufficient land for a big vegetable garden and possibly a chicken run, the jobless owner had no fear of the bread lines. The lean years have given impetus to purchases of small acreages as is indicated by new building along good roads radiating from the cities and in villages at one time considered remote, but now really in the suburban class.

* * *

Western Construction

BUT when the investigator turns to the western field, a different situation arises. Such centres as Regina, Saskatoon, Calgary, Edmonton and Vancouver have still plenty of room for expansion. Much younger than the eastern cities and much more ambitious in their original plans, most of these included within the municipal boundaries large stretches of what would usually be considered suburban areas. Indeed on the prairies at least, even straight farming country was included when the towns were being planned during the early years of the century.

It is because practically all nearby building is within the city itself, that western construction records often show to considerable advantage over those of the east. And until more of this western city land has been built upon, such development can be expected to continue unless, of course, rising taxes, often the result of the over-ambitious original plans in the first place, force builders beyond the range of city services. Suburban development under such conditions would inevitably leave a wide belt of uneconomic vacant land within the outer fringe of the city's boundaries.

Big Building Outlook Quiet In Montreal

Considerable Office Vacancy To Be Digested Before Expansion

BUILD BIG HOUSES

BY STAFF REPORTER

MONTREAL. — In comparison with Toronto, new building in Montreal has not been quite as pronounced. Nor is it expected that any great increase in large scale construction can take place until the present fairly large volume of unused office space can be digested.

There were at least 5 large skyscrapers erected in Montreal just after the collapse of the 1928-29 boom. These big office buildings were completed but several of them still have considerable space to let. Vacancy in the better class of office space has been estimated as high as 25 to 30% compared with 12 to 15 in Toronto.

Toronto had its boom in such construction earlier and moreover that boom was of more modest proportions than was the case in Montreal. Again, too, the recent activity in gold mining circles more favorably affected Ontario than the sister province. Literally there are hundreds of head offices of both Ontario and Quebec gold mines located in Toronto and such development has meant a very considerable increase in the demand for office space.

In residential space, Montreal, too, faces an entirely different situation from most other cities in Canada. Here there is a fairly large movement of families to the country from May 1 on each year. It is estimated that at least close to 70,000 people join the annual spring migration. They take a chance on finding apartments or houses when they return in the fall. Ideal commuting services and the proximity of very desirable country and waterside property encourage such a trend. But it is hard on the apartment owner who faces unusual competition and often a cut in rates during the summer months.

Residential Construction Low

New residential building of small low priced houses in and around Montreal has so far not developed on a very large scale. There has, however, been fairly good expansion in larger residences and in high class apartment building this year.

SCHOOL CHILDREN PROTECTED

Underpass where school children cross busy highways by means of small and inexpensive subways are gaining popularity, especially where traffic is heavy and schools large.

Toronto Building By-laws Ban Veneer, Metal Walls

Contention of The Financial Post some weeks ago that houses based on prize winning designs in the recent Dominion Housing competition could not be erected at low cost in Toronto has been denied by Kenneth Gillies, Toronto building commissioner.

Mr. Gillies sharply challenged the contention in rejecting a plea by the Canadian Lumbermen's Association to rescind a recent Toronto by-law which bars frame construction in two more fire zones. Irrespective of Mr. Gillies's controversy with the Lumbermen's Association, however, further investigation shows that The Post's main contentions were quite correct.

Toronto building by-laws call for a 9-inch masonry wall to the first story thus automatically barring cheaper frame, stucco or brick veneer construction contemplated in several of the leading prize winning designs.

Again the claim of The Post that narrow prefabricated walls of metal or insulated metal would not be welcome in Toronto is borne out by the city regulations which insist on 9-inch masonry. Attached garages so popular in the winning designs, many of which have been published in The Post, are permitted in Toronto but call for very definite regulations regarding separate or fire doors. Reference made by The Post to minimum space requirements, however, was correct only in so far as it applied to apartment houses. There is no limitation on room sizes in private dwellings, according to Mr. Gillies.

Start First Work On Giant Bridge

From Our Own Correspondent

VANCOUVER.—First steps in the construction of Vancouver's $6 millions bridge across the Lion's Gate, or First Narrows, will be started with borings in Stanley Park at the southern bridge-head site, 300 feet east of Prospect Point. Borings at the other end will be unnecessary as this area was explored when the pressure tunnel was laid under the First Narrows at the entrance to Vancouver harbor some years ago.

Working drawings for the bridge on which construction firms can figure in putting in their bids for the main contracts will be prepared in a few months, according to John Anderson, manager in Canada for the British interests who are financing the bridge project.

A. J. T. Taylor, managing director of Pacific Properties, Ltd., the British syndicate back of the First Narrows bridge programme, will come here from London in July.

The bridge will be one of the longest suspension bridges in Canada—1,500 feet long, with a height of 206 feet.

Meanwhile construction of the British Columbia government's $3.5 millions bridge across the Fraser River at New Westminster is proceeding satisfactorily, despite threatened damage to No. 4 caisson by flood water. Northern Construction Company and J. W. Stewart, Ltd., are contractors for the bridge.

Housing Loans Now Number 262

Total loans under the Dominion Housing Act to the middle of June numbered 262. Value of these amounted to over $1.8 million and all were for new dwelling houses or apartments in urban or suburban areas.

Ontario led in number of loans but Quebec in value. Practically all of the money went into new building in these 2 provinces with New Brunswick, Alberta and Saskatchewan apparently out of the picture entirely. Details are as follows:

Housing Loans to June 18

Province:	No.	Amount
Ontario	136	$ 848,015
Quebec	110	953,676
Nova Scotia	10	46,788
Prince Edward Island	2	7,500
Manitoba	2	14,600
British Columbia	2	6,050
Total	262	$1,876,629

Trunk Telephones Leave Main Roads

Constant Removal for Widening Pavement Sends Up Costs

Tired of constantly removing expensive telephone lines to keep pace with ever widening main highways and also annoyed at the hapless motorist's propensity for wrapping himself and cars around inoffensive poles, the big telephone lines are developing their own right-of-ways.

As only part of the cost of forced removal is usually borne by the government concerned, such operations entail loss. Naturally where removals follow each other at close intervals as has actually been the case along rapidly developing trunk highways, this sort of expense has been mounting.

Move to Back Roads

To solve the problem permanently the companies have either been purchasing their own right-of-ways or have been removing main lines to more stable back roads. In addition individual wires have been concentrated into multiple lead covered cables which can be carried on shorter poles. This makes the line much less susceptible to storm damage.

Telephone officials point out, however, that this is about as far as it is practical to go at present. Putting these cables underground along the highways is considered far too expensive. Especially is this true of Canada, even in the thickly populated districts. Only a few such underground highway cables have been constructed in United States and there only between very large cities such as New York and Philadelphia, which are fairly close together. The initial cost is very high, though repairs despite even the serious floods last spring, have been almost nil.

Faith Strong, Real Estate Going Higher

Tax Threat Only Cloud Seen on Immediate Horizon

HOUSING SHORT

"We have probably never known a time when the average investor had such great confidence that real estate values are going up."

This was the statement of Roger W. Rose, president of the National Association of Real Estate Boards, before that body's recent convention at Indianapolis. Though primarily a review of the United States situation, many of Mr. Rose's remarks would apply with equal force to Canadian conditions.

"People who are not under an emergency pressure to sell are inclined to ask tomorrow's sale price rather than that of today," he states, "and though there are many buyers still shopping around to fill orders at distressed-market prices, in many communities prospects of this kind have disappeared."

Tax Threat

But this real estate authority warned his hearers of one threat that will find an echo in many Canadian communities. "The one remaining serious drawback to real estate advance is the tax handicap," he said. "The year ahead will be a critical one in the whole movement to bring economic justice into our tax system. I am happy to report, however, that some 25 states have now an active campaign to write into their tax laws an over-all limit on the real estate tax."

Turning to the general picture, Mr. Rose stated that in the last five years fewer dwelling units have been constructed than the number which actually have gone out of existence each year either by being torn down, condemned, or destroyed.

In the meantime, population has slowly increased. "Now," he said, "we have deferred marriages taking place, and residential space absorption has reached a point where over 95 per cent of it is occupied. Rents have advanced and people are again beginning to build houses."

Costs Rising

Building costs are reported to be rising from the recent low. Mr. Rose estimated that home building costs in United States were now the same as in 1930, or about 10% lower than in 1926. Dominion Bureau of Statistics' figures in regard to Canada would indicate a similar situation here.

As to business property, Mr. Rose reported a somewhat similar though slower trend with rentals stiffening and new interest developing in either renovation of old properties or the construction of new.

Plan Highway Connection Between Two Americas

While no recent development is reported in the promotion of a highway through Canada and Alaska to Siberia via the Behring Straits, definite progress is claimed on an international roadway to South America. There are still, of course, many gaps, but the opening of the Mexican link this fall is an important step.

It is now possible for Canadians to join with American tourists and drive to Mexico City. Under favorable conditions, it is also possible to motor from that point to the southern Mexican boundary, but the road there is reported passable only in good weather. By fall, however, this link of the international highway is expected to have been completed.

From there to the Panama Canal, the road has been surveyed, and some of it is under construction. There are, however, a good many blanks, and also spaces for 3 very large bridges over tropical rivers in Panama, Guatemala, and Honduras. From the southern U. S. boundary to the Panama Canal the proposed highway will cover 3,200 miles. Some difficulty will be encountered here and also in northern South America, but after that the roadway will connect up with the modern and growing highway systems of the more progressive of South American countries. One big difficulty when this gets into the centre of the southern continent, will be a highway over the high Andean Mountains. Tentatively, such a highway is planned to connect Lima and the Pacific coast through Bolivia in the centre of the continent to Rio de Janeiro on the Atlantic.

When completed, the road is expected to offer considerable attractions for tourists in search of brand new scenery, and in addition will open up a very large market to truck-borne commerce.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Belgium — Economic progress of the past 14 months has been somewhat retarded by a number of disturbing influences, but foreign trade continues to show an increase in both imports and exports.

United Kingdom—Many industries have increased their activities, owing to good domestic demand, but the export trade is still hampered by foreign market restrictions.

Germany — Wholesale prices increased slightly during April and May after remaining stationary for some months.

Austria—Foreign trade was less active in April than in the preceding month; the industrial production index declined in March, but was well above the March, 1935 level.

Jugoslavia — Imports this year have been considerably larger than last year and exports have declined, resulting in an adverse trade balance; shipments to Italy have been particularly restricted.

Japan — Textile markets have been erratic, but prospects in silk and cotton are tending to improve; smaller barley and wheat crops than last year are predicted.

China—Crops are expected to be larger than last year; North China has planted a larger area to cotton, with plantings in the Yangtze Valley practically unchanged.

Philippine Islands—The Department of Finance is planning additional sources of revenue for 1937; the Manila copra market is quiet but firm.

New Zealand—Business improvement is reflected in increased sales tax revenue and a further decline in unemployment.

Build Sloping Pitch Roofs

A built up coal-tar pitch roof has been designed in the United States for sloping roofs up to inclines of six inches in a foot. Formerly this type of roof was almost entirely confined to flat surfaces.

Road Building Activity Sends Cement Volume Up

Shipments of cement in Canada during the first quarter of 1936 totalled 358,000 barrels, or 40 per cent above the quantity shipped during the same period a year ago. This increase is not only taken as an indication of a revival in certain types of building, but more particularly in road construction. Modern, hard surface, concrete highways are large users of cement, as it is estimated that about half the total cost of such highways goes into materials, much of which is cement.

Ontario Paper Awards Contract to Foundation Co.

From Our Own Correspondent

MONTREAL.—In connection with the Ontario Paper Co.'s paper mill development at Baie Comeau, P.Q., the company announces the awarding of a contract to Foundation Co. of Canada for construction of the gas house and hospital.

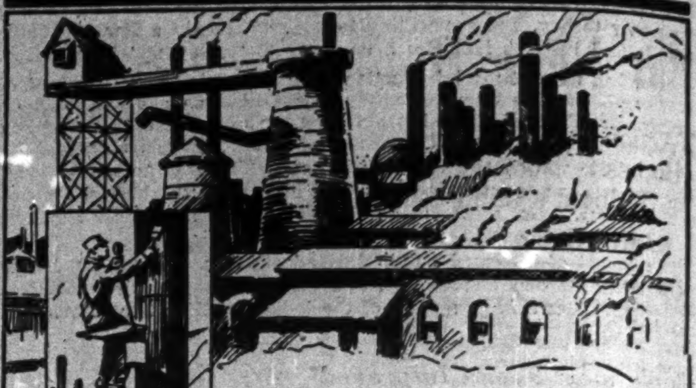
The Foundation Co. is acting as general contractor for the development.

C.N.R. Lines Abandoned

From Our Own Correspondent

MONTREAL.—Application of the Canadian National Railways for leave to abandon a portion of its L'Orignal subdivision, between Hawkesbury and Hurdman, Ont., has been dismissed by the Board of Railway Commissioners.

At the same time the Board allowed the railway's application to abandon the Clarence Creek spur between Rockland and Clarence Creek, Ont.



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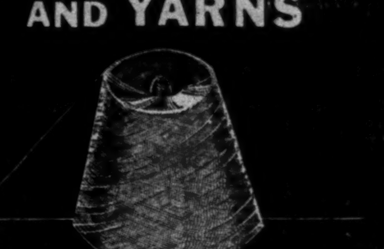

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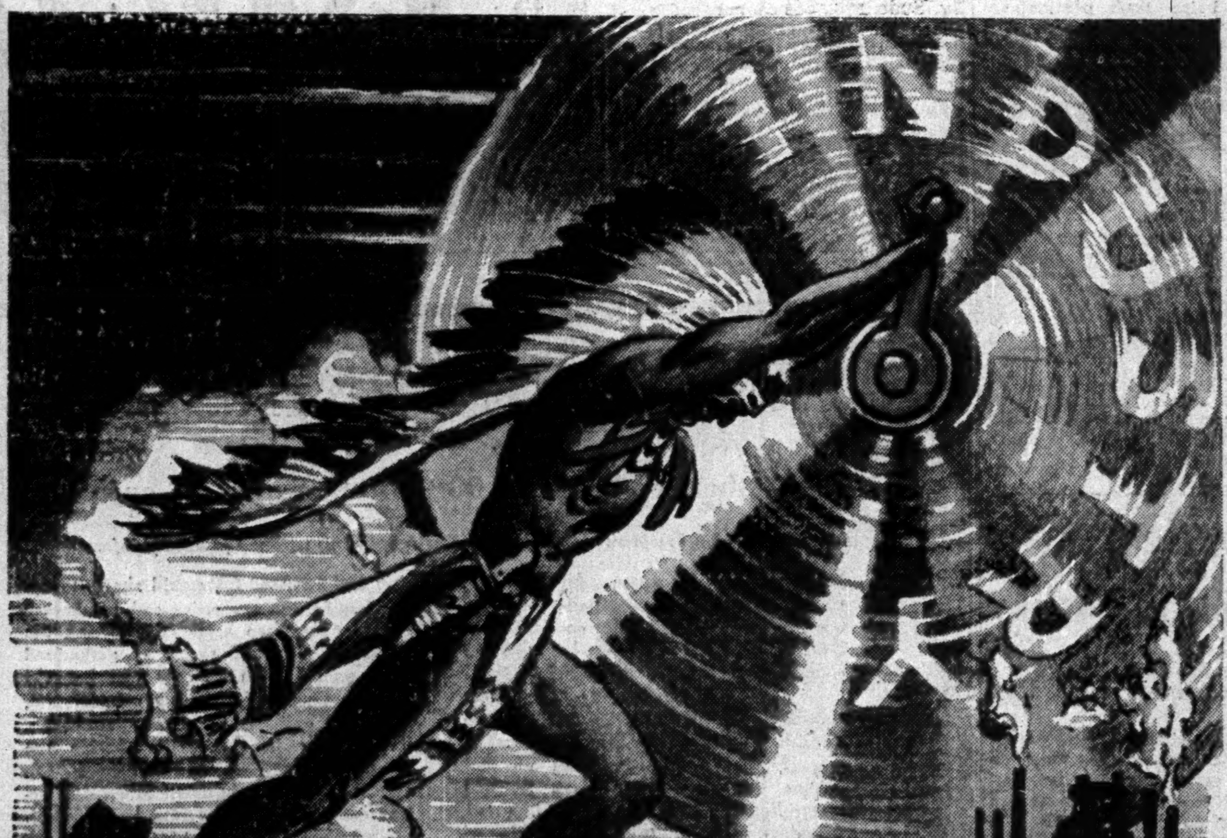

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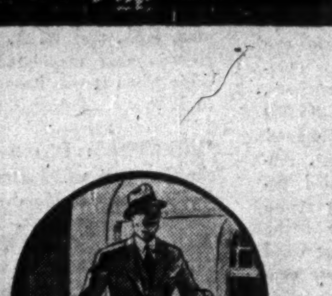

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THE FINANCIAL POST

SECOND SECTION

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Political Heat Brings Quebec Pot Near Boil

L'Action Forces Split With Duplessis Dominant — Godbout's Cabinet

CAMPAIGN IS ON

Political developments in Quebec hold premier place nowadays in conversation of most adult Quebeckers The break of Paul Gouin and supporters with Maurice Duplessis and the claims of both to be the real custodians of the L'Action Liberale Nationale faith were dramatic even though not entirely unexpected. Things were said which render futile all efforts to heal the breach in the opposition forces.

United the Opposition seemed almost certain to carry Quebec. With three-corner contests over the province the government forces now may have a chance especially if they can fuse with one of the other fragments after the election on August 17 next.

Gouin Aide Organizer

Oscar Drouin, ex-member for Quebec East and a Gouin supporter in the last elections, will be chief organizer of the Duplessis forces in the campaign. He went into the Union Nationale group last November as a supporter of Gouin and indeed organized the group which won the elections. Mayor J. E. Gregoire of Quebec also announces he will stay with Duplessis. Other prominent fighters for L'Action announce they will fight under the banner of Duplessis, who is given chief credit for unhorsing Premier Taschereau. Prominent among them is Dr. Phillipe Hamel, former member for Quebec Centre.

Duplessis supporters have accused Gouin of making a "secret" alliance with the present Premier Godbout to join with him after the election in August. Although a cardinal principle of L'Alliance Liberale Nationale has been "no party spirit" he is being attacked in a most partisan way as "betraying" his leader and speakers have not been slow to recall the old story of the Palace revolution which resulted in his father, Sir Lomer Gouin, displacing former Premier Parent. They say he is trying to do the same thing with Maurice Duplessis.

Lacroix Before and After

Edouard Lacroix, the big businessman of the movement, left Ottawa declaring that the group would elect a majority of candidates and make Paul Gouin Premier. A short time after arriving in Quebec and surveying the situation close at hand, however, he said the breach between Gouin and Duplessis was only one on election tactics and they might come together again. Duplessis wanted more candidates pledged to his leadership and Gouin wanted more L'Action candidates. There were 26 L'Action members in the House just dissolved and 16 Conservatives. But Duplessis does not want that division perpetuated. Candidates, he insists, should be Union Nationale candidates and not Conservative or L'Action candidates. At least 32 out of 42 opposition members have declared they will follow Duplessis, and profess to believe they will sweep the province. But Gouin,, Lacroix, Monk and Martineau will fight on their own.

Holds The Aces

Maurice Duplessis holds high cards because he has unearthed most of the nepotism which caused the Taschereau government to fall. He has vigorously expressed his determination to carry on the cleansing process if elected. He says only a fraction of the corrupt practices has been shown. There is no denying his vigor as a critic. His constructive proposals have yet to be made, and he himself has said the field has to be cleared before it can be cultivated. He is for minimum wage and aggressive trade and agricultural policies.

But Premier Godbout promises all these things as well. He promises to continue the probe into every department. Without powerful support and active dissension in the groups opposed to him it will be hard for him to be returned to power in August. And unless one group has a large majority it may still be hard to say what men and policies are to rule Quebec.

Premier Godbout's Cabinet

The newly-selected cabinet of Premier Godbout includes 10 ministers, 4 less than that of Premier Taschereau. The cabinet includes only the younger members of the Taschereau administration and the personnel is well regarded. The Montreal press expresses doubt, however, that it can attain success against the vigorous attacks of Duplessis oppositionists especially as the Gouin section of L'Action seems at the moment depressed and disorganized by the split.

The cabinet line-up is as follows:

Hon. Adelard Godbout, Premier, Minister of Agriculture and Minister of Lands and Colonization.

C. A. Bertrand, K.C., of Montreal, Attorney-General and Provincial Secretary.

Hon. T. D. Bouchard, Minister of Lands and Forests and Municipal Affairs.

Hon. P. E. Cote, Minister of Roads.

Hon. Edgar Rochette, Minister of Labor, Fish and Game.

Stuart McDougall, K.C., of Montreal, Provincial Treasurer.

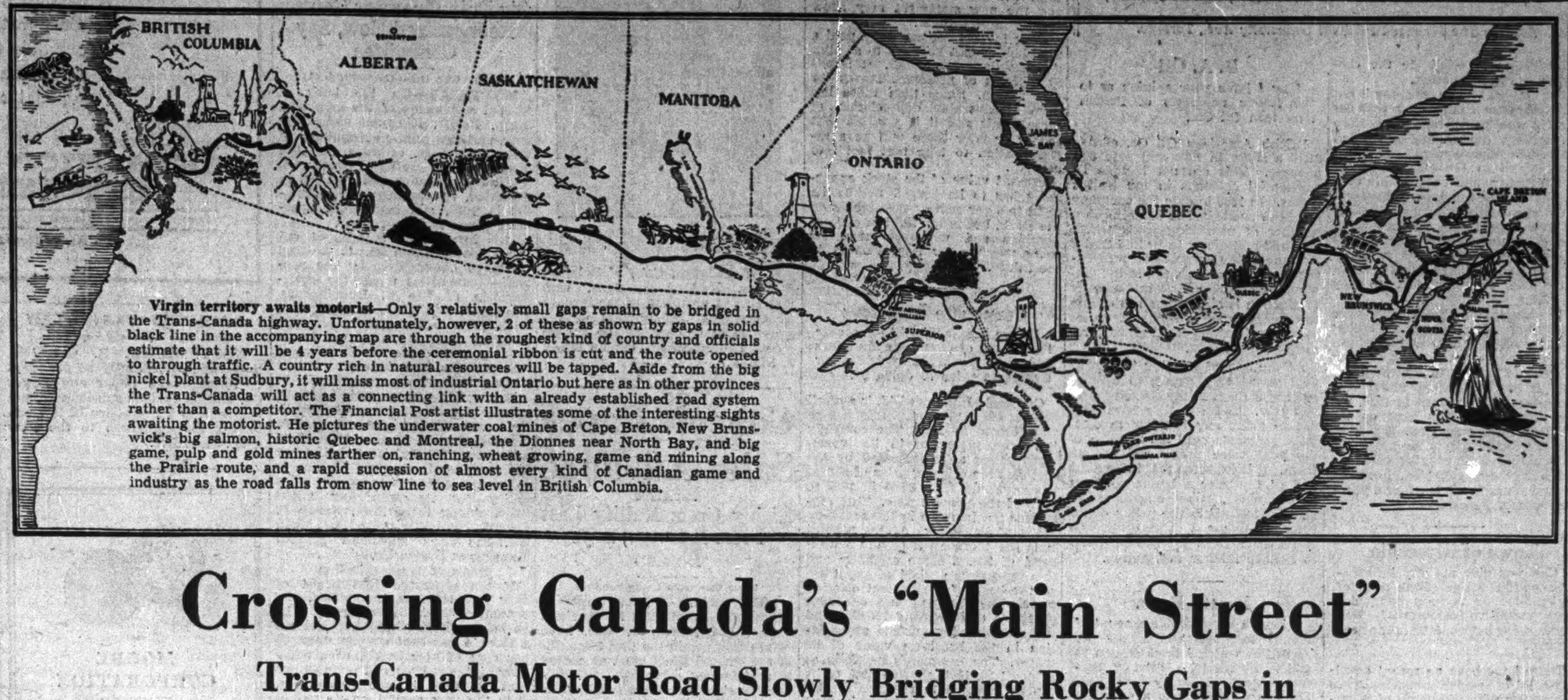
Wilfrid Gagnon of Montreal, Minister of Commerce and Industry.

Cesaire Gervais, K.C., of Sherbrooke, Que., Minister of Public Works and Mines.

Hon. Cleophas Bastien, Minister Without Portfolio.

Frank Connors, Montreal, Minister Without Portfolio.

Premier Godbout said a commission of experts would be appointed by the new cabinet to administer the Department of Colonization.



Virgin territory awaits motorist—Only 3 relatively small gaps remain to be bridged in the Trans-Canada highway. Unfortunately, however, 2 of these as shown by gaps in solid black line in the accompanying map are through the roughest kind of country and officials estimate that it will be 4 years before the ceremonial ribbon is cut and the route opened to through traffic. A country rich in natural resources will be tapped. Aside from the big nickel plant at Sudbury, it will miss most of industrial Ontario but here as in other provinces the Trans-Canada will act as a connecting link with an already established road system rather than a competitor. The Financial Post artist illustrates some of the interesting sights awaiting the motorist. He pictures the underwater coal mines of Cape Breton, New Brunswick's big salmon, historic Quebec and Montreal, the Dionnes near North Bay, and big game, pulp and gold mines farther on, ranching, wheat growing, game and mining along the Prairie route, and a rapid succession of almost every kind of Canadian game and industry as the road falls from snow line to sea level in British Columbia.

Crossing Canada's "Main Street"

Trans-Canada Motor Road Slowly Bridging Rocky Gaps in Nova Scotia, Ontario and British Columbia

From Our Own Correspondent

OTTAWA.—Ignoring the myriad detours which mark new construction on the Trans-Canada highway, there remain after five years of intensive construction and the expenditure of approximately $30 millions, over 400 miles of road to be built. It will cost about $20 millions and can scarcely be completed before 1941. When that is done and the route opened to through traffic it will probably be given the designation No. 1. At least in several provinces this number has been reserved for that purpose.

4,000 Miles Long

Over a course 4,000 miles in length, from Sydney, N.S., to Victoria, B.C., there are three gaps in the Main street of Canada. The first is a 60 mile stretch in Nova Scotia. The second is the major one, 270 miles in the Lake Superior section of Ontario. The third is a 78 mile stretch around the big bend of the Columbia river in British Columbia. The Nova Scotia link will be forged within two years. Construction in the Rockies is more difficult but here, too, the Dominion's programme calls for completion in two years.

Tough Going

The Lake Superior link is the only one which will take an indeterminate length of time. Five years would seem to be an optimistic estimate of the time required to connect eastern and western Canada by an all-weather motor highway.

In thus summarizing the status of the trans-Canada highway, no distinction has been made between classes of road. Practically all of the 4,000 miles, when completed, will be gravel; the type of road usually termed second class. Little of this highway, save in Quebec and west in Ontario to Pembroke, is paved and even the paved sections do not compare favorably with the best highways in central and western Ontario. Nor does the road, as a whole, begin to compare with the major highways in the U. S. Across the four western provinces, the trans-Canada is entirely gravel.

Route Not Final

The accompanying map shows the present route of the highway, as agreed to by the Dominion and provincial governments. This route in detail is not final. Recently the Quebec government has considered substituting the Gaspé scenic road for the more direct one shown on the map. Other changes may be made before the highway is finally completed and marked. The actual route to be followed is largely a matter for the provincial governments to decide. Ottawa is chiefly concerned with road specifications; all the highway must measure up to minimum standards of construction or no federal grants-in-aid are available.

Except for those rare globe trotters who may desire to cross the country entirely on Road No. 1, actual route through the older settled sections of the country is not of great importance. Such areas are well served at present and switching off and on the Trans-Canada will be unnoticeable. Paramount interest attaches to those links which connect systems isolated at present.

Thus the new road will come into its greatest importance through sparsely settled and wild areas in the hinterland of the Maritimes, Quebec, Ontario and British Columbia. Here it will be possible to perform a real service. Vast new districts of the country will be opened. Sportsmen will be attracted by new and easy access to game areas. Unspoiled rugged grandeur will appeal to the sightseeing tourist.

Attract Capital

To a certain extent, too, the new sections of the Trans-Canada may be regarded as colonization roads. Undoubtedly some permanent settlers will be attracted and also new capital for pulp, mining and lumbering industries along the route. Time and again the big investor in a new mine, pulp or lumber mill has first been attracted to this country by its tourist possibilities. While here, he sees actual industrial development, or hears about some interesting property.

In the fall of 1930 when the trans-Canada was first taken in hand in a serious way, most of the road now included in the 4,000 mile route was already built. Then, as now, the large gaps were in the Maritimes, between North Bay and the Manitoba boundary, and in the Rockies. Much of the existing road was below standard and had to be improved but, in the main, the difficult task was in the wilder, less populous areas.

Built by Provinces

Construction has been done almost entirely by the provinces and has been encouraged by federal grants-in-aid amounting to 50 per cent of the cost. In this way $14,551,132.78 has been spent by Ottawa and a like amount by the provinces.

In addition, upward of one millions dollars has been spent by the Dominion in northwestern Ontario unemployment relief camps. These men did road work. Further sums have been spent by the Dominion on the sections of the highway which are in Alberta and B. C. national parks.

It is impossible to state how many miles of highway have been built with this money. Much of the work is uncompleted, particularly in the Soo to Nipigon section. No final cost figures will be available until the road is finished. Figures reveal, however, the areas where most of the work has been and will continue to be done.

Expenditures

Until the road reaches that stage of traffic development when long stretches of hard surfacing may be considered necessary, much of the outlay for construction and maintenance will largely go to unskilled labor of the relief employment type. But even under such limitations very large sums must have been spent already on explosives for blasting, bridges, rock crushing and other gravel road building machinery, and food and water maintenance for labor. After initial construction, too, a portion of upkeep payments must go for road grading machinery and also anti-dust chemicals.

Present Route

The route as it now stands is as follows: The highway begins at Sydney, N.S., and proceeds via Glace Bay, New Glasgow and Truro to Belmont. The first gap is from Belmont to Springhill. Another branch of the highway begins at Charlottetown and runs to the sea at Borden where a ferry operates across to Cape Tormentine.

These two branches join at Moncton and thence the highway proceeds to Saint John and then up the Saint John river valley to Riviere-du-Loup and along the south shore of the St. Lawrence to Levis. At Levis, the road crosses to Quebec and runs along the north shore to Montreal, thence via Ottawa, North Bay, Sudbury to Sault Ste. Marie.

Here the great gap begins. The route is surveyed north to White River (150 miles) and on to Nipigon (120 miles) where actual road begins again and runs to Fort William. From the head of the lakes, the highway proceeds via Kenora, Winnipeg, Regina, Swift Current, Medicine Hat, Calgary and Banff to Golden. Here that last gap occurs. It resumes again at Kamloops and runs to Vancouver. The Strait of Georgia is crossed by boat and the road runs from Nanaimo to Victoria.

Still Rough

Much of the new highway, built or improved in the past five years, is still rough. This class of road comprises, chiefly, the stretch through New Ontario.

Progress this summer, particularly in the Soo-Nipigon section, may not be as rapid as expected. The provincial administration is changing from one department to another and it appears that contracts are being terminated, preparatory to the awarding of new ones. This will take time.

Expenditures have been at the rate of about $6 millions per year. In the future, the totals are likely to be smaller, with some $20 millions being spent in the next five years.

By provinces, the expenditures since 1930 have been:

Trans-Canada Costs

Prince Edward Island ...	$ 263,021.35
Nova Scotia	1,525,420.16
New Brunswick	971,350.02
Quebec	3,756.28
Ontario	10,239,072.89
Manitoba	816,251.86
Saskatchewan	10,490.02
Alberta	295,344.83
British Columbia	426,425.37

Motor Plants In Dominion Employ 13,000

Canadian Factories 65% of Capacity in 1935 — Many Records

BUSINESS UP 40%

Final figures for the automobile manufacturing industry in Canada in 1935 place production of Canada's 14 companies at $106.6 millions, or 40% greater than 1934. This is the highest value reported since 1929.

This figure represents factory selling value or wholesale prices of all motor cars and parts made for sale in Canada or for export by manufacturing and assembling plants in this country, together with the amount received for custom and repair work.

40% For Export

Automobile production alone totalled 172,877 units, with an aggregate wholesale value of $99 millions. Of this total, 60% (by number) were made for sale in Canada, and the remainder for export. The improvement in domestic demand was 43%, and the gain in number made for export, 55 per cent.

Of total production, passenger cars accounted for $79.2 millions. Of total passenger car units (135,562), 63% were made for domestic sale and 37% for export. Slightly more than half the cars and trucks made in 1935 carried 8-cylinder engines, and 48%, 6-cylinder engines.

Operates at 65% Capacity

Production was carried on by 14 companies with 20 separate factories in operation. Fourteen of these establishments were in Ontario, two in Quebec, three in British Columbia and one in Manitoba.

Estimated yearly capacity was given at 228,274 passenger cars and 39,151 trucks. On this basis it is calculated the industry operated at about 65% of capacity during 1935, compared with 44% in 1934 and 17% in 1933.

Capital employed totalled $40.7 millions compared with $34.5 millions in 1934. This increase was due to operating capital, which was higher by $6.1 millions.

13,000 Employed

Average number of employees in 1935 was higher than in any other year except 1928 and 1929. The number on the payroll was over 13,000, compared with 9,674 in 1934. Salary workers numbered 1,930 receiving over $4 millions. Wage earners averaged 11,165 and their earnings aggregated $14.7 millions.

Materials for manufacturing or assembling cost $75.6 millions at the works after allowing for duty drawback on imported items.

Consumption up 48%

Apparent consumption of automobiles in Canada is estimated at 112,367, or an increase of 48%, against which it is estimated that 65,951 cars were withdrawn from use, compared with a corresponding figure in 1934 of only 29,721 cars. The low figure for 1934 as compared with other years is attributed in part to the return to the road of many private cars and to the relicensing of used cars not registered in the previous year

Actual sales of new motor vehicles in Canada during the year numbered 100,961 valued at retail at $101 millions. Of this total 83,242 were passenger cars, and 17,719 were trucks and buses.

Investing for the Next Five Years

Defaulted Bonds Offer Attractions As Canada Comes from Depression

Appreciation of Principal and of Assured Income Seen — Some Show Big Gains in Recent Years

To most investors defaulted securities are something to be avoided. However, for the investor who is interested in possible appreciation of principal and future income, defaulted bonds offer attractions in a period of recovery such as Canada is experiencing and should continue to experience for the next few years.

The depression has taken a heavy toll in industrial, real estate and municipal bonds. Many corporations by reason of reduced income have found it necessary to suspend service on their bonds either in full or in part. For this reason many bonds are now selling at a substantial discount.

In many respects these bonds are similar to non-dividend common stocks. Not only are they an excellent hedge against inflation but they offer the opportunity of appreciation of principal and of substantial income in the future. Indeed, in some cases they offer even greater attractions than common stocks in that they are the debtor's senior obligations and will therefore be the first to benefit from improvement.

Bondholders Have Control

In many instances where bonds are in default, bondholders have complete control of the company. In these cases the holders of the bonds may reap considerable benefit from reorganization or improvement in the company's position. In, some cases the entire equity of the company will pass to bondholders.

It is true that many companies which encounter financial difficulties never find it possible to reorganize on any basis that affords hope of eventual recovery of the investment in its bonds. The bonds either become worthless or remain indefinitely in a very low price range. Illustrations of these are the Queen's Park Plaza, Toronto, and Algoma Central and Hudson Bay Railway Co.

May Regain Former Value

It is obvious that it would be unprofitable to buy into a situation where there is little or no hope of resuscitation. All defaults, fortunately, are not of this type. In a period of recovery such as Canada is experiencing investors in defaulted bonds, who have the patience to wait for the fortunes of their companies to mend over a period of several years, may be rewarded by gratifying appreciation in principal. It is possible for such bonds to regain high investment standing. One example of this in the past is the experience of the Spanish River Pulp & Paper Co. During the war the securities of this company fell to a low level. Following the war, the company prospered and in 1928 it was absorbed by Abitibi Power & Paper Co. and its bonds redeemed at a premium. This has also been the experience of many bonds during the recent depression. For instance, Simpsons Ltd. bonds sold as low as 38 early in 1933 and today they sell at about 105.

There are also instances of large profits accruing to bondholders following a reorganization in which they took stock in a new company in order to liquidate their claims. The new company has prospered, and investors have seen the equities obtained in exchange for their original bonds appreciate to an amount even larger than the par value of their old bond holdings.

Prospects of Defaulted Bonds

For the most part what happens in the case of defaults lies between these 2 extremes, that is, a substantial part but not all of the face value of the bonds may be recovered. This will probably be the record of most companies in default at the present time.

Appreciation of investment values of defaulted bonds from their present levels depends largely upon 2 factors: the success of the debtor after reorganization and the nature of securities received in exchange for the bonds. Future results are perhaps difficult to forecast with accuracy, but one can usually arrive at the possible trend by studying past records and the progress toward recovery.

Reasons For Default

Another important factor to be sought out before investing in defaulted bonds is the reason for default. It may have been excessive capitalization, abnormal depression of earning power, immaturity of the bond issue or unforeseen rapidity of obsolescence. All of these factors have contributed to industrial defaults during the current depression, and in most cases it has been a combination of at least 2 factors, usually excessive capitalization and abnormal depression of earning power.

One has only to look at the general trend of prices of corporation bonds during the past few years to realize the possibilities of substantial appreciation. Many bonds which were selling at a discount of from 25 to 50 points early in 1933 as a result of abnormal depression of earning power and financial disturbances, have regained their former investment standing and are now selling at a premium. Recovery of earning power, betterment of monetary conditions here and abroad and inflation have brought bond values back sharply.

Newsprint Bonds

The newsprint industry has perhaps the worse default record of the various types of industrial corporations. In the past the industry was a big money maker. Its securities were highly regarded. However, excessive capitalization as a result of mergers in the pre-depression days and overexpansion brought about its collapse early in the depression and the situation was further aggravated by an abnormal decline in earnings as a result of low prices for newsprint.

Because of the excessive capitalization and overexpansion factors it is perhaps too much to hope that newsprint bonds will recover all of their former value. Substantial appreciation from present levels is nevertheless possible once the industry regains a stable basis.

Some Recovery Already

Already the industry has shown considerable recuperative powers. Demand for newsprint has been increasing steadily and operations at the present time are on a larger scale than ever before. In addition, prices have shown some advance and further improvement may be expected in this regard since advertising linage of newspapers is once again on the upward road.

Costs Have Been Reduced

Another important factor which must not be overlooked is the reduction in costs which the newsprint operators have been able to put in force during the past few years, partly as a result of technical improvements. The price of newsprint will not have to recover to anywhere near its former level before large profits will be earned by the newsprint companies. Also, with each increase in tonnage, cost per ton of overhead and operating costs continue to decline.

Listed below are some of the newsprint bonds, now in default, which may in the future show appreciation.

Newsprint Defaults

	Bond Prices Bid	Bond Prices Asked
Consol. Paper, 5½'s, 1961 ...	47½	50½
Donnacona Paper, 5½'s, 1956	79	82
Lake St. J. Paper, 6½'s, 1947	109	112
Lake St. J. Paper, 6½'s, 1942	72	75
Great Lakes Paper, 6's, 1950	53	56

Consolidated Paper

Consolidated Paper is the old Canada Power & Paper Co. which went into bankruptcy in 1931. Under the new set-up interest on the funded debt was deferred to this year, becoming cumulative and fixed in the last 6 months. While progress has been made in strengthening the company's finances since reorganization, bank loans remain large and additional readjustment can be expected.

In 1935, however, profits showed a substantial increase as a result of savings in operating costs, net operating profit after bank interest amounting to $2.2 millions, compared with $1.1 millions in 1934. Bank loans were reduced by $1.8 millions during the year and should prices of newsprint record even a moderate advance the company should be able to wipe out bank loans entirely since operations are on an increasing scale.

Should earnings return to their 1929 or 1930 levels it would be possible for the company to maintain full debt service on its bonds. This, perhaps, is too much to hope for. Nevertheless one can expect further appreciation in the company's bonds as the position of the newsprint industry improves, even though further reorganization may be necessary.

Donnacona Paper

Donnacona Paper Co. is one of the few newsprint companies in default which is expected to resume interest payments on its bonds in the near future. The company went into bankruptcy in 1932 following which a reorganization was effected, and further adjustment was made early this year. Interest in the current year is payable at 3%, in 1937 at 4%, and from 1938 to maturity at 4½%. The maturity of the bonds has been extended from 1948 to 1956. In consideration of adjustments and accrued interest, bondholders received class A stock. This gives bondholders the opportunity of participating in any future increase in earnings over and above bond interest requirements. Interest at the rate of 3% is expected to be paid this year since earnings before depreciation have been more than sufficient to cover such payment.

Lake St. John Paper

Prospects are that Lake St. John Power and Paper Co. will be able to meet its first mortgage obligations in full including payment of arrears, if and when the price of newsprint rises. Operations of the company have shown steady improvement and during the first 4 months of 1936 production was about a third higher than in the same period of 1935. At the present time about 50 per cent of the interest charges is being met. The outlook for the 6½% mortgage debentures is also encouraging although not as favorable as for the first mortgage bonds.

One doubtful consideration is the fact that the company's output is sold entirely to the Hearst papers in the United States. Contracts expire shortly and it remains to be seen whether new contracts will be made.

Great Lakes Paper Co.

Great Lakes Paper Co. reorganization, by which bonded indebtedness is cut 40%, has just been completed. Bondholders receive class A and common shares in consideration of the adjustment. Interest on the new bonds is to commence immediately. The class A and common stock distributed to bondholders give them the chance of reaping benefit from any increase in earnings. This firm can earn interest without major improvement in newsprint prices and a higher price would benefit the shares distributed to bondholders.

Defaulted Municipal Bonds

Defaulted municipal bonds may offer less chance of substantial recovery in the near future than do industrial bonds, but at the same time the degree of risk is perhaps smaller. In the case of many of these defaults it may be necessary to reduce interest and in others to reduce both interest and principal. Nevertheless present prices offer opportunities of profitable investment.

Municipal finances, and this is particularly true of Ontario and Quebec, appear to be on the mend. Tax collections during the past 2 years have shown general gains and most of the defaulting municipalities have recorded definite improvement. In Quebec several municipal reorganizations have already been approved and in Ontario a number are expected to be put in force before the end of the year.

Windsor Refinancing

Among defaulted bonds are those of the 4 municipalities merged into the new city of Windsor A scheme has been adopted under which the debenture debt of the 4 municipalities is to be refinanced at a reduced rate of interest on a 60-year basis. In addition, a cash payment is to be made on account of arrears and provision is made for additional bond payments as income of the city increases. Sinking funds may help to raise bond prices. The position of the bonds under the refinancing scheme is summarized below:

Windsor Refinancing

Per $1,000 Bond:	East Windsor	Walkerville	Windsor	Sandwich
Price of bonds	$420	$680	$620	$260
Less: Cash ..	100	....	85	15
Net cost	$320	$680	$535	$245
Fixed int. ...	$ 20	$ 42½	$ 35	$ 15
Stock yield, %	6.2	6.2	6.5	6.1
Cash actual*	$115.30	$9.90	$99.10	$29.00

*Before deduction of expenses of finance commission and bondholders' committees.

Toronto Suburbans

Prominent among municipal defaults are Toronto suburban municipalities. Many of these will have to make only minor adjustments, among these being Mimico and New Toronto. Others are favorably situated since they were able to make partial payment of interest in 1935, such as East York, York and North York townships. Etobicoke township is one which paid 1935 interest in full. As tax collections improve and relief costs drop these municipalities should be able to resume debt service with only minor adjustments. It is expected that the debts of some of these will be refinanced in the current year.

Details of these defaults are given below:

Municipality:	Bond Prices Bid	Bond Prices Asked	Int. Paid in 1935
East York Twp. ...	52	55	3%
Etobicoke Twp. ...	70	75	full
Mimico	63	68	none
New Toronto	73	77	none
North York Twp...	63	67	3%
Weston	63	68	3%
York Twp.	54	57	3%

In Default on Principal

Cities in default on principal which should find it necessary to extend bond maturities only are Sudbury and Niagara Falls. Both of these cities have improved their financial positions and built up cash reserves against defaulted principal. On 5%, 5½% and 6% coupon bonds the yield is substantial. Prices are as follows:

	Bond Prices Bid	Bond Prices Asked
Sudbury	78	82
Niagara Falls	74	77

Real Estate Bonds

Real estate securities have had a worse record during the depression than any other type of security. Defaults on real estate bonds have been widespread as a result of a sharp drop in values of real estate property and an accompanying decline in rents. The deflation of values has perhaps been more marked in real estate than elsewhere. As a result one may expect a sharp increase in real estate values in a period of recovery, and as a hedge against inflation it is highly regarded. As business improves and rents and prices rise, real estate values may climb to higher levels.

Pay Part Interest

Higher rents should make it possible for defaulted real estate bonds to recover at least a part of the ground lost since additional revenue will be available to bondholders. Listed below are a number of the major real estate defaults in which there appears to be opportunity of some recovery. Despite low rentals these companies have been able to make partial payment of interest and for the future there are possibilities of better income and value.

Real Estate Bonds

	Coupon Rate	Int. Being Paid	Bond Prices Bid	Bond Prices Asked
Dom. Sq. Bldg..	6%	3%	52½	54½
Clarendon Apts.	7%	2.5%	31	35
Godfrey Realty .	6%	3%	40	43
Mayor Bldg.	6½%	4½%	49	53
St. Catherine-Stanley Rlty...	6½%	3¼%	35	40
Alexander Bldg. Corp.	6%	3%	39	43

Burns & Co.

Burns & Co. is one company which has adjusted its bond default where there appears to be good possibilities of appreciation in its securities. In fact, recovery of this company is already under way. Under the reorganization scheme, interest on half of the bonds up to Dec. 31, 1938, is payable only if earned. In 1935 the company more than earned the full 5% on the income bonds. Under normal conditions the company should be able to earn its bond interest.

In addition to bonds actually in default there are a number which are currently selling at depreciated levels, which, if and when business returns to normal, should recover their former investment standing. Among these are:

	Bid	Asked	Yield
Maclaren-Q., 5½'s, 1961	78½	80½	7.18
Maclaren-Q., 5½'s, 1964	77	79	7.25
Mercury Mills, 5½'s, '53	59	62½	10.91

Maclaren-Quebec Power Co. is one of the companies affected by the Ontario government's repudiation of Quebec power contracts. The company has obtained a new contract and income is barely sufficient to cover funded debt charges. Prospects are that with power demand in Ontario increasing, the Ontario Hydro may eventually take additional power from this firm.

Abnormal decline in earnings and sinking fund arrears have depressed the price of Mercury Mills bonds although interest has been paid. Earnings of the company recovered substantially in 1935, bond interest being earned before depreciation 1.48 times. Further recovery in general business conditions should enhance the earnings of this company.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

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1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Building Products

I would like to have your views on the common stock of Building Products. I am interested to know if it is reasonably safe.

Building Products common stock is regarded as one of the securities which is likely to benefit most from the revival in the building industry. As a matter of fact, the financial statements of the company over the last two years have shown substantial increase in earnings power, which is reflected in dividend payments on the stock. The company occupies a strong financial position and should benefit further if the anticipated construction revival is realized.

Cosmos Imperial Mills

I would appreciate some information on Cosmos Imperial Mills. When were dividends commenced on the common stock?

Dividends on the common shares of Cosmos Imperial Ltd. were started in 1935, and 3 quarterly payments of 17½ cents each were made. The rate was increased to 20 cents on May 15, 1936.

The company made extensive capital changes in 1935. It redeemed its 6½ per cent first mortgage bonds and the old 7 per cent preferred stock. It issued a half-million dollar issue of new 5 per cent preference, and the outstanding common was increased to 100,000 shares. The refinancing substantially reduced interest and dividend requirements. The preference and common shares are now the only capital obligations of the company. There was a small gain in sales in 1935, but a lower average return. Business so far in 1936 has been good, although there are uncertainties in the raw cotton market. The company has an excellent working capital position, and its record over a number of years indicates good management.

Gatineau Power

Gatineau Power 5 per cent bonds have been recommended to me for investment, but before taking any action, I would like to have a report on this bond.

Gatineau Power 5 per cent bonds are regarded favorably. While the new contracts made by the company with the Ontario Hydro result in a reduction of $2 millions in revenue compared with that received under the old contracts, still the company has sufficient income to more than cover its obligations in respect to first mortgage bonds. The yield is attractive and in view of the security back of the issue, the bonds, at a discount, appear to offer an attractive medium of investment.

Canadian Vickers

I notice that Canadian Vickers 6 per cent bonds are selling at a discount and that the company is paying its interest charges. Can you tell me whether or not this bond is regarded as a good investment?

Canadian Vickers recorded a considerable improvement in earning power last year. For some time earnings were unsatisfactory and bond interest was not earned. However, the company receives a subsidy under the Dominion Dry Docks Act, which covers the greater proportion of the interest charges. Payments have been met regularly, and while the sinking fund is in arrears the bonds are attractive to an investor with a well-diversified investment list.

Hinde and Dauch

I would appreciate a brief report on the 5½% bonds of Hinde and Dauch Paper Co.

There are outstanding $1,175,500 of series A 5½ per cent first mortgage sinking fund gold bonds due May 1, 1948, of Hinde and Dauch Paper Co. of Canada. In 1935, the bond interest was earned 10 times before depreciation and 7¼ times after depreciation. The interest was earned in every year during the depression except in 1931. In 1932, it was earned 2½ times before depreciation and 30 per cent of the interest was earned after depreciation. The company has a strong working capital position and no bank loans. Production has been more than doubled in the last four years, and a peak year was experienced in 1935.

Mercury Mills

I have some Mercury Mills 5½ per cent bonds due 1953 and am wondering whether I should continue to hold them. I would appreciate a report on the company's operations and its prospects.

Mercury Mills Ltd. earned the interest on its $1,335,000 of first mortgage sinking fund 5½ per cent bonds series A due 1953 only twice since 1929, and not once after depreciation. In 1935 the bond interest was earned 1.48 times before depreciation and only 23 per cent earned after depreciation.

The company still has a fair working capital position, but it ended the year with a bank loan of $45,000. The bond sinking fund is considerably in arrears as well. It is probable there will eventually be a capital reorganization to eliminate the constantly recurring deficit.

The outlook for the company is not clear. Intense competition and decline in wool prices caused a decline in earnings during the depression years. The improvement in 1935 was experienced in the face of higher raw materials and unfavorable conditions in the industry. The company apparently sets up adequate reserve against loss on account of bad debts and depreciation of real estate. Taxes have been a heavy burden, and in 1935 on this account alone the company had to pay $111,908.

The company makes a wide range of knitted goods, most of its output being wool, cashmere and silk hosiery and underwear. You ask whether you should hold on to your bonds or not. It has been noted above that there was improvement in 1935, but that the last 6 years have on the whole been discouraging. It may be that the company is at the beginning of a period of improving earnings. That has been expected, however, several times in the last 5 or 6 years. One cannot be certain.

Town of Riverside

Can you give me any information on the bonds of the town of Riverside? Is there a bondholders' protective committee? Will refinancing be proposed in the near future?

There have been no recent developments of major importance in connection with the bonds of Riverside, Ont. The town's financial position as you no doubt know is very bad and the prospects are that bondholders will have to take a very severe loss. No doubt you are aware that late in 1934, Thomas Bradshaw, one of the most prominent authorities on municipal finance in Canada, recommended to the Ontario Government that the bonds of the town be refinanced at 3 per cent and that 50 per cent be written off principal. This is an indication of the bad position of the town's finances. Whether there has been any improvement in the town's position since 1934 we are unable to say. Unemployment relief costs continue high and this year the town found it necessary to increase its tax rate from 40 mills to 48 mills. The town is operating under the supervision of the Ontario Department of Municipal Affairs.

To date there has been no protective committee for bondholders formed. The reason for this is that there does not appear to be any immediate prospect of refinancing being carried out. The usual practice is not to form a bondholders' protective committee until fiscal agents to draw up a plan of refinancing are appointed. This has not been done to date.

The town's financial statement for 1935 is not available as yet.

Saguenay Power

I am considering investing in some of the Saguenay Power preferred stock. Anything you can tell me on this security will be appreciated?

Saguenay Power first preferred stock was put on the market a short time ago. Formerly the company had outstanding only bonds, notes and common stocks. In the refinancing, which brought about a reduction in interest charges, the company issued a smaller amount of bonds, new preferred stock, and left the old common unchanged. The record of earnings of the company indicates there should be no trouble in covering the dividend on this security.

General Steel Wares

I am considering the advisibility of investing in bonds of General Steel Wares 6's due 1952, and shall be grateful for any information you can give me.

General Steel Wares has recorded a marked improvement in operations and earnings in the last three or four years and its bonds have appreciated in value from a low of less than 20 to the current price of better than par. Last year the company showed bond interest and depreciation covered, with the balance available on the preferred stock. It is our understanding that earnings for the current year are comparable to those for 1935 and if the present sales trend continues, the returns for 1936 should be every bit as satisfactory as last year.

Beauharnois

Would you advise the purchase of Beauharnois common for a hold at present prices?

Beauharnois common stock is an out and out speculation. The company has been seriously affected by the cancellation of the Ontario Hydro contract and will not be in a position to meet bond interest payments. At the present time consideration is being given to a further reorganization and the chances are that these common shareholders would have to make further concessions. In view of the considerable uncertainty as regards the future of the company, the common holds little or no attraction to the investor or speculator.

B. A. Oil

May I have your opinion as to the future prospects of British American Oil Co.?

British American Oil Co. earned $1.10 a share in 1935 and paid 80c. a share. This did not include its substantial earnings in the United States. In 1936 to date the company has been successful in bringing in a number of producing wells which will add materially to United States revenue in the current and succeeding years. The wells are in the Oklahoma Extension Field and already production is high enough to enable the company by a series of trades to secure its whole crude oil requirements for Canada.

At the annual meeting the president stated they expect to earn at least $1 a share in the United States this year. However, they felt it best not to make any increase in dividend payments until the earnings of the year were pretty well before them. It is expected that toward the end of the year a bonus payment will be made, based to some extent on earnings. It is the policy of the company to use a large proportion of its earnings in the United States to finance further exploration.

Beatty Bros.

I have a considerable amount of money to invest and among the securities which I have chosen to add to my portfolio is the 6% preferred stock of Beatty Bros. Ltd.. Do you consider this a good investment? Safety of principal is not an essential.

Beatty Bros. 6% preferred stock is a good choice for an investment portfolio. Dividends on the preferred have been paid regularly throughout the depression although it has not been earned at all times. Last year the preferred dividends were earned by a wide margin and it is expected that a further increase will be shown in the year ending Aug. 31, 1936. For the 6 months ended Feb. 29, 1936, the company reported a satisfactory increase in sales. The fact that the preferred shares are convertible into common gives the stock additional attraction. The convertible feature gives you an opportunity of participating in any marked improvement in the company's earnings which may take place in the future. The outlook for the company appears to be improved sales and earnings.

Collingwood Bonds

I would appreciate a brief report on the bonds and financial position of the town of Collingwood, Ont.

Collingwood bonds can hardly be regarded as high-grade municipal security. There does not appear, however, to be any possibility of the municipality defaulting on its obligations. In 1935, the town reduced its bank loans and debenture debt by a small amount. Current liabilities, however, exceed current assets by about $10,000.

The town's total debenture debt amounts to $985,968. Of this, $676,000 consists of bonds issued by the town on behalf of Collingwood Terminals Co. As security for this, the town holds mortgage against the elevator of the terminal company. Originally the elevator bonds amounted to $774,796. Interest on the bonds has been paid regularly by the terminal company. During the past 2 years the town has had a substantial deficit on revenue and expenditure accounts. In the current year the tax rate has shown a substantial reduction but this is largely due to the fact that the assessment of property has been increased.

United Fuel Investments

I hold a number of preferred shares of United Fuel Investments. What is the company's present position? Are the shares worth holding? What are the prospects for dividends?

United Fuel Investments Company has outstanding 90,000 preferred shares which are entitled to $6 cumulative dividends annually. These dividends are in arrears $27 a share. Earnings for the last 2 years have been at the average rate of $2.55 a share and it is expected that the financial statement for the year ended March 31, 1936, will show about the same earnings. It is too soon to say whether recent refunding operations by which the outstanding bonds of a subsidiary, Hamilton By-Product Coke Ovens, were exchanged for bonds with a lower rate of interest will help much. Other things being equal, it is estimated that there might be an annual saving equivalent to 50 cents a share from this alone.

In recent years the working capital of the company has been improved by more than $750,000 and the new statement may show further improvement.

Back in 1928 the company paid a premium of $6.4 millions to acquire its subsidiary companies. It issued $9 millions of preferred stocks for that reason. Since then there has been considerable depreciation of these assets and it is possible that sooner or later there will be a reorganization to take that fact into account.

Present value of the stock apparently has to be judged not by its right to 6 per cent or the arrears on the stock, but in the light of current earnings and whatever prospects there may be for improvement in the future.

Corporate Investors

I have been advised to purchase the shares of Corporate Investors Ltd. and would appreciate your comments prior to doing so.

Corporate Investors Ltd. is a small but growing investment trust which was formed in 1932. The company has been successful in its investment policy as is indicated by the fact that the offering price of shares has advanced from $5.50 in 1933 to $7.25 at the present time. This represents the increase in the break-up value of its shares. At the present time the company is paying a dividend of 20c. a share annually and this represents a yield of about 3% on the basis of the present offering price. The company has excellent prospects of increasing its dividend and also showing marked appreciation in the break-up value of its shares. The company's portfolio as at April 30, 1936, showed 65% of its capital invested in common stocks. As a result the company is well hedged against possible inflation and its investment portfolio should show substantial appreciation in a period of recovery. Nearly all of the stocks held are on a dividend basis and have excellent earnings record.

Canada & Dominion

I have been advised to purchase Canada and Dominion Sugar stock. Can you give me a report on this company?

Canada and Dominion Sugar common stock is considered a high-grade investment. The company has no bonds or preferred stock, the capital consisting entirely of 500,000 common shares. The company enjoys an exceptionally strong liquid position, holdings of government bonds alone amounting to over $9 millions. As at Jan. 31, 1936, working capital, even after deducting unpaid 1936 dividends as current liabilities, was approximately $13 millions. In the year ended Jan. 31, 1936, profits declined from $4.37 in 1934 to $3.47 a share. This was largely due to price cutting in the rich central Ontario area, but even under such conditions Canada and Dominion Sugar appears to be well able to earn and pay dividends of $1.50 a share and extra of $1 a share. The company is the largest marketer and refiner of sugar in Canada, handling about 45% of the domestic business. As a result it should derive considerable benefit from any general improvement in business.

Dosco

As a holder of Dominion Steel and Coal, income bonds, I would like to have your opinion of this security and prospects of the company increasing earning power

Dominion Steel and Coal has recorded a marked improvement in its position over the last 2 or 3 years. The company is now paying interest on the income bonds and there is no indication that the payment will not be maintained. In view of the recovery of business, prospects of further revival, together with the stronger security market, it would seem advisable to retain both the stock and the bonds of Dosco. The present management has demonstrated ability to show profits on a relatively small volume of business, and with the re-entry of the railways into the market for steel rails, it is anticipated the company will be able to show a gain in revenue. At present, properties of the company are being operated on a broader scale than for a number of years past. A good deal of the steel business on the books, however, has been taken at a price which permits of little or no profit. However it keeps down overhead and provides employment for a great many workers. The receipt of the more profitable domestic business would help earnings.

The Woman Investor

Equity Yields

COMPELLED by reduced interest and dividend yields to seek new channels for reinvestment of funds from maturing high-grade bonds and callable preferreds, women are turning toward the field of equity investment. There the loss of previously high interest and dividend returns can be offset by securities carrying yields of 5 to 6%, but with an accompanying greater risk.

The danger of such a policy for women investors, whose primary requirement is that a security be safe, proven and of established marketability, is not so great as it appears.

Women investors, if they are wise, retain at least 50% of their capital in the highest grade securities obtainable, regardless of fluctuations in interest rates. With the balance they can purchase equity securities, and in a period of reviving business confidence are frequently justified in doing so, if intelligent selection of preferred or common equities is exercised.

* * *

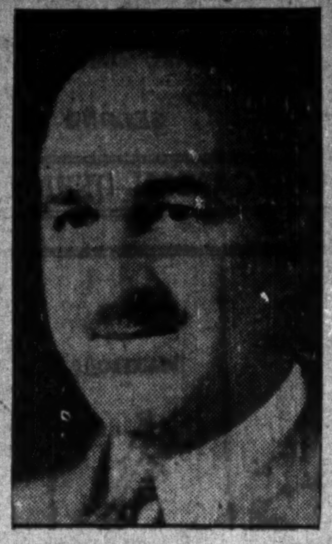
Diversification Needed

MANY of these securities are available in the Canadian market, but the woman investor needs to recall the warning of placing all one's eggs in a single basket.

Diversification of commitments can be made among steel, railway, food, building, and utility companies' securities, as well as others with medium-long term prospects of improvement.

Many of these stocks are paying a high dividend yield at current prices, and enjoy wide marketability on Canadian stock exchanges. Some of them pay no dividends, and their appeal is speculative. But, if immediate dividend returns are sought, there is little difficulty in obtaining yields far in excess of government bonds, or from preferreds, which, in many cases, are selling well over the call price.

If the basic requirement is observed—retention of half or more of the investor's capital in the highest grade securities—careful selection and diversification of preferred and common share equities at the present time seems likely to prove of future benefit to informed women investors in Canada.



PRESIDENT

K. W. Dalglish, C.A., of Deloitte, Plender, Haskins & Sells, who was elected president of the Society of Chartered Accountants of the province of Quebec, at the annual meeting in Montreal. (Photo Blank & Stoller.)

Consol. Paper Sales Advance

Rising Costs Nullify Last Price Increase, Says Belnap

From Our Own Correspondent

MONTREAL. — Betterment in operations experienced in the fiscal year ended March 31, 1936, have been continued in the first 2 months of the current fiscal year, according to a statement made by L. J. Belnap, president, at the annual meeting of Consolidated Paper Corp. shareholders.

Sales for the past year amounted to 61% of capacity, contrasting with 51% in the preceding year. For April and May operations were at 63% of rated capacity.

Operating Costs Higher

In discussing operating cost, Mr. Belnap told the shareholders that further increases were in prospect. The advance of $1 a ton recorded at the beginning of 1936, he stressed, had been more than nullified by rising costs. He felt that 1937 was still too far off for him to make a statement on the price outlook for that year, but made it clear that a rise in price this year was hardly to be expected.

Shareholders gave approval to resolutions providing for a change in the fiscal year ending from March 31 to December 31, and for the holding of annual meeting April rather than June.

Directors were re-elected with F. G. Bush, W. P. Creagh and H. W. Jackson added to the board.

Canada Northern Power Production Ahead in May

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp., controlled by Power Corp. of Canada, reports a power output in May of 49.4 million kw.h. This represents an increase of nearly 1.5 million kw.h. over the same month a year ago.

Production for the first 5 months this year was 242.8 million kw.h., an increase for the period of 8.2 million kw.h.

Can. Foreign Investment Approves Executive Board

From Our Own Correspondent

MONTREAL. — Directors were re-elected and the financial statement for 1935 was adopted at the annual meeting of Canadian Foreign Investment Corp.

At a subsequent special meeting a by-law was unanimously approved providing for the appointment of an executive committee to be appointed by the board of directors.

Rackets

"Auditors'" Fees

WESTERN Ontario businessmen are rated on a par with those from Missouri. They want to be shown.

And because of that trait, a few of them have been the victims of their own astuteness, via the "audit and appraisal" racket. The scheme is a new one in Ontario but it has been operated with skill in the vicinity of London, Ont.

W. H. Wood, manager of the London, Ont., Chamber of Commerce, describes the method. The racketeer approaches a merchant with the information that undisclosed but apparently responsible business interests seek to buy the merchant's store or factory.

A high price is indicated, but not until a complete audit and appraisal have been made, involving a little matter of $200 or more as auditors' fees preliminary to closing the deal.

Strangely, the would-be purchaser whose identity is hinted to be some well-known, long-established concern, loses interest after the audit. The racketeers carefully refrain from giving positive identification of the alleged buyer, and efforts of the victimized merchant to locate either the "auditors" or the potential purchaser are unsuccessful.

Brown Co.'s Bondholders Want Action

Big Pulp Operator Can Be Reorganized Now, Say Committee

From Our Own Correspondent

MONTREAL.—On the basis of official statements of the company, Stern, Porter, Kingston and Coleman, certified public accountants of New York City, estimate the 1936 manufacturing profits of Brown Co. of New Hampshire and Quebec, at $1,560,000, as compared with $454,602 in 1935, and substantial operating losses in recent years.

This information is brought out in a communication sent to the first mortgage bondholders by the protective committee under the chairmanship of Lee S. Buckingham, who states that "if the company and its bankers will not reorganize the company promptly, then the bondholders and other creditors must take matters into their own hands and do their own reorganizing."

During the past nine months neither the company nor the bankers have made a move to formulate a reorganization plan, and the committee feels all that is needed to put the company in a sound position is to carry out an energetic sales policy for its pulp and allied lines. Along these lines, Henry P. Carruth, formerly with the Mead Co., has been appointed general manager at Brown Co.

Basis of Reorganization

If the estimated 1936 profit of over $1.5 millions is realized, the committee says the company will be in a position to pay bondholders a fixed 4 per cent coupon upon 60 per cent of new bonds, with additional interest if earned upon 40 per cent of new income debentures. Also the new capital set-up would permit bondholders to share in the "equity."

Certain arrangements would have to be made before the company could be reorganized. Particulars are outlined in the letter sent out by the bondholders' committee. They follow:

(1) Sale of $3.5 millions of 4 per cent mortgage bonds at par, proceeds to be applied to liquidation of the secured loans of Commercial Credit Corp. and Federal Reserve Bank and to a payment in cash of 20 per cent of the claims of general creditors, the balance to be applied to the reduction of current liabilities or as additional working capital;

(2) Making an arrangement with the city of Berlin and the State of New Hampshire for the extension of their pulpwood loan for a period of not less than 5 years, with provision for amortization not to exceed $350,000 a year;

Extension of Notes

(3) Effecting an arrangement with the Anglo-Newfoundland Development Co. for the extension of their note for 5 years, or in the alternative, the exercise by this company of its option to purchase the mortgage property for $1.7 millions;

(4) Effecting an arrangement with the general creditors to pay 20 per cent of their claims in cash and the balance of 80 per cent in scrip, without interest, payable at the rate of 10 per cent per annum.

Issue New Securities

(5) Effecting an arrangement with the present mortgage bondholders to issue to them new securities as follows: (a) 4 per cent mortgage bonds in an amount equal to 60 per cent of the face value of the present bonds and (b) 4% income bonds in an amount equal to 40% of the face value of the present bonds, plus accrued interest thereon;

(6) Effecting an arrangement with the present preferred and common stockholders to issue to them in reorganization 300,000 shares of new common stock of a par value of $25 each in lieu of their present holdings.

There is a wide Canadian interest in the affairs of Brown Co. Through a Canadian subsidiary, the company operates a large pulp mill at La Tuque, P.Q. In addition a substantial proportion of the first mortgage bonds is held by Canadians.

GRAUSTEIN TURNS TO LAW

From Our Own Correspondent

MONTREAL.—A. R. Graustein, who resigned recently as president of International Paper and Power Co. and its various subsidiaries, has returned to the practice of law following his admission to the New York State Bar.

STOCKS LISTED AND UNLISTED BONDS
Hambly, Peaker & Trent
Members
THE TORONTO STOCK EXCHANGE
613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED
DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000
Reserve Fund, $2,400,000

CHAMPION MORTGAGE
CORPORATION — LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA
SASKATOON REGINA

THE LONDON AND WESTERN TRUSTS CO. LIMITED
Established 1896
Executors, Administrators, Etc.
Offices at: London, Toronto, Windsor
Winnipeg, Vancouver.

For Investment of July Funds
A particularly attractive selection of Corporation Securities is listed in our July folder, and in addition a wide choice of Dominion, Provincial and Municipal Bonds.
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

MOORE CORPORATION LIMITED
Brief analysis of this Canadian company, whose business has been approximating 1929 levels, available on request.
Greenshields & Co
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SHERBROOKE
63

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Like a strand, intricately woven, the Canada Permanent Mortgage Corporation is an integral part of the whole social fabric of Canada. For 81 years it has been a vital factor in community development throughout the Dominion. It has proved a dependable guardian of Savings, has promoted confidence and encouraged national thrift.
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CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

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The WINNIPEG LIMITED is another fine train with air-conditioned equipment, overnight between St. Paul, Minneapolis and Winnipeg. Send the coupon below for literature, expense budgets and other information.
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I wish to know details about Great Northern Railway transportation to the Pacific Northwest.
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LOWER RATES on Transatlantic Telephone Calls
The three-minute Day Rate for a telephone call from Toronto, Montreal, Ottawa, Hamilton, and adjacent centres to points in Great Britain and France has been reduced to $21.00. Formerly it was $30.00. The Night Rate (after 5 p.m.) is now $15.00 instead of $21.00. Rates to other European centres are reduced proportionately.
This is the third major reduction in trans-oceanic rates since the service was opened in 1927.
These reduced rates have been made effective through the co-operation of the Canadian Marconi Company and the British Post Office.
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TRADE WITH GREAT BRITAIN
The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.
Head Office: EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
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ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727
Capital (fully paid) .... £ 3,780,192
Reserve Fund .... £ 3,857,143
Deposits £64,009,174
Associated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

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Get them from any agent of the Canadian Pacific & most Banks

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This institution is fully equipped to render a complete service as Trustee, Registrar, Transfer Agent, Agent under Escrow or Pooling Agreement, etc.
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61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Bank Chat

PRESIDENT LEMAN'S explanation of the Taschereau episode is most welcome although it is unfortunate that it was not forthcoming earlier. In view of the correspondence with the Quebec government the bank appears to have absolved itself from blame.

However, there is one point on which clarification would be advisable. According to newspaper dispatches A. C. Taschereau testified:

"When I was appointed the banks came to me and told me they would personally pay me interest if I deposited the money with their bank."

From Mr. Leman's statement, elsewhere on this page, one gathers it was one of the institutions now merged with the Nationale, and not that institution itself, which took the initiative in the incident. Mr. Taschereau's evidence, however, would give the impression that more than one bank was implicated and further that the inducement of paying interest on public funds to private accounts was widespread.

The banks owe it to themselves to come out with a clear-cut statement that they do not countenance this practice.

• • •

Discount Rates

INDICATIVE of financial instability and uncertainty is the fact that since 1925 the 26 European central banks have made an average of about 40 changes a year in their discount rates.

The peak was in the year of the financial crisis, 1931, when 63 alterations were made; then a slump to only 16 in 1934; and back to average with 40 last year. However, of last year's total, France and Holland contributed the larger number. The Bank of France changed its rate 10 times and the Netherlands Bank 15 times. In the first 5 months of 1936 there have been 5 changes in France and 3 in Holland.

The downward trend of central bank discount rates has been most marked in recent years. In 1931, the 26 banks mentioned above were classified as follows: 15 with a rate of more than 6%; 7 between 4 and 6%; and 4, 3½% and under. According to latest figures, only 2 countries, Greece and Albania, have rates above the 6% mark; 15 rank between 4 and 6; and 9 are 3½% and under.

• • •

Russian Savings

THE deposit interest rate reduction of the Canadian banks is picayune compared with slashes in the yield of Russian bank balances.

Only last October, Communist depositors were receiving the exceptionally handsome return of 8% on outstanding balances. But funds have piled up since then to such an extent that the rate was cut first to 6 and recently to 3%. Most recent figures place savings at 2,960 millions of rubles, 1,000 millions more than at the same date in 1935. Much of the increase is attributed to higher wages under the Stakhanovite system, and to an increase in the number of peasants of collective farms who have bank accounts.

• • •

The First 100

CONGRATULATIONS to "The American Banker," on its one hundredth birthday. Congratulations also on the exceptionally fine issue which marks the event.

"The Only Daily Banking Newspaper," edited by C. B. Axford, has celebrated the occasion in fine style with a 156-page supplement. In both size and content it is one of the largest editions ever issued by a banking publication. Each copy weighs almost 1½ pounds.

Featuring the birthday messages is a letter of congratulation from the president of the United States, in which he pays high tribute to the calibre of the publication.

Of more than passing interest, even to Canadians, is the historical outline of many of the American banks which is included in the centennial issue. The "Banker" has even included some of the Canadian institutions. Worthy of special mention is the roll call of banks in the United States which are more than 100 years old. Two institutions share the honor of being the oldest established. The Bank of New York and Trust Co., New York, and the First National Bank of Boston boast operations dating back to 1784.

NOTICE

Notice is hereby given that the NATIONAL SECURITY FIRE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-267 authorizing it to transact in Canada the business of Fire Insurance and, in addition thereto, Earthquake Insurance, Tornado Insurance, Hail Insurance, and Sprinkler Leakage Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company.

H. C. MILLS,
Chief Agent in Canada.

Toronto, June 10, 1936.

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 . . . £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY.
London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

Leman States Case for Bank In Quebec Row

Claims Action in Taschereau Episode Entirely Justified

FROM OLD BANK

Beaudry Leman, president and managing director of the Banque Canadienne Nationale, has issued a statement explaining his bank's connection with the A. C. Taschereau account which has caused so much comment in Quebec.

It will be recalled that at the hearing before the Public Accounts Committee of Quebec it was testified that the former premier's brother had personally received interest paid by the bank on government funds. In defense of the actions of the bank, Mr. Leman writes in part as follows:

From Old Bank

"The account of Mr. Antoine C. Taschereau was taken over by the Banque d'Hochelaga with the old Banque Nationale, in 1924. The attention of the inspectors of this bank was aroused by certain circumstances: Mr. Taschereau had requested that interest be credited in an account distinct from the main one; the amount of the cheques deposited seemed to indicate that the funds were not destined for him personally; if these funds belonged to the Provincial Government and if Mr. Taschereau was but the trustee or administrator thereof, it would have seemed unusual that withdrawals could be made under his sole signature; finally, the account of Mr. Antoine C. Taschereau happened to be under the management of his son, Mr. J. T. Taschereau, manager of the bank's branch at St. Pacome and, subsequently, at Donnacona.

"On 3rd November, 1925, an assistant inspector of the Banque Canadienne Nationale wrote to the treasurer of the province of Quebec as follows:

"'Please find enclosed a certificate which we would ask you to sign and return, for inspection purposes, advising if the amount mentioned as appearing to your credit is correct.'

"Mr. Antoine C. Taschereau himself returned to the assistant inspector the certificate attached to the aforementioned letter of November 3. He certified the correctness of the credit balance of his account and added, over his signature, the following remarks:

"'This certificate can be given only by myself, inasmuch as the bank accounts of the accountant of the Legislative Assembly are, according to law, personal accounts with which the Provincial Treasurer has no concern. The Provincial Treasurer has forwarded to me the enclosed certificate in order that I should sign it myself.'

"One will readily understand that banking transactions would become well nigh impossible, should it be incumbent upon the banks to verify, in each case, that the money withdrawn from a bank by cheque or otherwise is applied to legitimate purposes. A bank has performed its full duty when it has ascertained that the funds entrusted to it are dealt with according to the instructions of the depositor entitled to these funds.

"The Banque Canadienne Nationale, in its transactions with Mr. Antoine C. Taschereau, acted in conformity with his written instructions and it did not behoove the bank to approve or disapprove of the use made by Mr. Taschereau of the funds entrusted to him and of the interest thereon. The bank is satisfied that this account was administered in accordance with the requirement of the law and the rules of sound practice."

Mr. Leman's statement adds that only the prevailing rates of interest were paid on the Taschereau account.

Number of Branches Shows Further Decline

The number of branches of Canadian chartered banks showed further decline in May. Closing of 11 offices was announced during the month, against 4 opened, bringing the total at May 31 to 3,537.

Branches closed were:

Canadian Bank of Commerce at Phillipsburg,
St. Armand Station,
Stanbridge East, Que.,
Wetaskiwin, Alta.,
East End, Cornwall, Ont.;
Watrous, Saskatchewan;
Bank of Montreal, Calabogie, Ont.
Davidson & Nolan, Montreal,
Hart & Kelvin, Winnipeg;
Royal Bank, Dauphin, Man.
Bank of Toronto, Inglis, Man.

Three of the new branches will be opened by the Bank of Montreal at Alberta summer resorts, Banff, Lake Louise and Paradise Valley. The other is an Imperial office at Pickle Crow, Ont.

Staff Changes

The Canadian Bank of Commerce has made the following staff changes:

G. A. BEATTY, formerly manager at Watrous, to be manager at Nokomis, Sask.

W. J. GRAY, formerly manager at Nokomis, to be manager at Weyburn, Sask.

War a Major Factor In Price Breakdown

What are the chief causes of the present disastrous upset in the balance of prices and business activity, and of all the ills which have followed that upset? F. C. Biggar, secretary of the Canadian Bank of Commerce, summarizes the most important as follows:

The immense sums borrowed from 1914 onward, both nationally and internationally for the purchase of munitions and war material. Since these purchases were destroyed or consumed as soon as received the borrowing nations were left with a huge burden of unproductive debt for which they held no offsetting assets.

The overstimulation of production in the New World during the war to supplement the shrinking output of Europe, where over 50 million men, withdrawn from their normal occupations, were called to serve in the opposing armies. When these soldiers returned to civilian life European production gradually recovered. In consequence world overproduction in certain directions inevitably developed with a calamitous effect on prices.

The post-war trade boom based in part on the rehabilitation of the battle areas and the undertaking elsewhere of construction and other projects deferred during the war was also a factor. In some countries the work was in a large degree financed with the proceeds of foreign loans, perhaps the first of numerous efforts to restore normal business by "priming the pump." The boom terminated abruptly when foreign lending stopped.

Finally, the breakdown of overstrained European currencies, the imposition of exchange restrictions, of import quotas and of rising tariff barriers both at old national boundaries and at the many new ones created by the Peace Treaty. The result was that where in the past the exchange of goods and services could take place with little let or hindrance it is now hampered and blocked by almost insuperable obstacles.

French Canadians Offer Big Insurance Market

Superintendent Dugal Tells of Vast Opportunities for Life Sales — Need French Approach

That life insurance companies have delayed too long in presenting their story to the vast French-Canadian market in Quebec and other provinces was a major point emphasized by B. Arthur Dugal, superintendent of insurance for Quebec Province, before the insurance group section of the Special Libraries Association in Montreal last week.

"Questions on life insurance must be presented to our people in a different way and in a language they can understand," said Mr. Dugal. "I regret to say that life companies have delayed too long in coming to a satisfactory arrangement in this regard. The majority of French-Canadians may speak, read and understand enough English to transact all their business even in an English-speaking community, but when it comes to a question of protecting themselves with such a complex and difficult thing as life insurance, the proposition must be submitted to them by agents capable of presenting and explaining it clearly in French.

Need French Texts

"Even the life insurance agents of today are obliged to learn their business in English. Rate books and textbooks which they must read are printed in English. When taking examinations for the degree of C.L.U. all their studies are in English, which is imposing on them an altogether unfair handicap.

"I am glad to tell you examination papers have been recently translated into French and arrangements are being made for French textbooks.

"Why should we not have our own textbooks and other books on insurance in French? This will involve considerable expense, but is not a field of $60 millions of insurance premiums worth this expenditure?

Big Market Exists

"The life insurance field has not reached the saturation point, as yet, in Quebec. Early marriage in large families indicates a great need of life insurance.

"Life insurance has over 700,000 prospects in our schools for educational insurance which field has not been at all covered in this province. Not 1% of married women are covered by life insurance, among whom are at least 478,000 prospects. Among widows, life insurance has 71,000 prospects, how many of them are covered by life insurance?

"Among unmarried women ranging in age from twenty to forty years, life insurance has 170,000 prospects. Since the beginning of the country, it has been the custom for the young husband to give a dowry to his young wife, through a civil contract of marriage, the Civil Code says that he must at least be worth in visible assets an amount equal to the dowry. Most of the time the husband has hardly any visible assets.

"Through life insurance the husband can accumulate a visible asset to answer for the dowry protecting his wife in case of his death. Such an asset is untransferable and unseizable while all other assets are not.

"Life insurance has over 35,000 prospects every year in marrying couples. This field has never been worked. These are only a few instances which show that there still exists many a field which has not been covered in this province by life insurance, as yet."

Bank of Canada Weekly Statement

The Bank of Canada balance sheet for the week ended June 24 was featured by a decrease of $9 millions in chartered bank deposits, liquidating most of the sharp advance noted in the previous week. Reserves, both in sterling and the United States dollar reflected the lower deposit total.

Balance Sheet

	June 24 $	June 17 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	94,454,805	94,125,448
Rest fund	173,092	173,092
Dep. Dominion	18,557,614	27,684,934
Banks	190,504,224	191,162,638
Other	753,163	637,604
Total deposits	209,815,001	219,485,176
All other liabs.	2,286,869	1,956,968
Total liabs.	311,729,767	320,740,684
Assets		
Reserve: Gold	179,945,750	179,914,959
Silver bullion	1,729,218	1,729,218
Res. in sterling ..	777,920	4,259,738
Res. in U. S.	10,390,566	15,741,399
Res. elsewhere ...	2,699	1,787
Total reserve	192,846,153	201,647,102
Subsidiary coin	272,568	277,158
Advances	3,300,000	3,300,000
Investments:		
Dom. govt. short .	27,747,766	28,262,673
Other Dom. govt.	83,608,866	84,764,143
Total invest.	111,356,632	113,026,816
Premises	206,561	206,455
All other assets	3,747,853	2,283,153
Total assets	311,729,767	320,740,684
Reserve ratio	63.38%	64.29%

Maritime 'Phone Records Large Station Gain in May

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. reports the largest net gain in telephone installations during May experienced by the company in many months. The number of units installed on the company's own system at the end of last month was 39,070, as against 38,555 at the close of April, a net gain of 215.

The Island Telephone Co., a subsidiary, operating in Prince Edward Island, reported 4,138 stations installed.

CONSERVATION HEAD

J. P. Devenny, assistant secretary of Mutual Life of Canada, who was recently elected president of the Life Insurance Conservation Association of Canada.

Insurance Exchange Corp. Plan Put Into Operation

From Our Own Correspondent

MONTREAL.—Holders of the first mortgage 6½ per cent bonds of Insurance Exchange Corp. have been notified by the National Trust Co. that the scheme of arrangement, as agreed to by the holders of the bonds at a meeting last February and later sanctioned by the Court, is now in effect. In accordance with the arrangement, bondholders are required to surrender their bonds to the National Trust Co. for exchange into income bonds of like principal amount common stock on the basis of one share for every $100 par value of bonds.

Weekly Bank Clearings

	June 25 1936 $	Change year ago %	June 18 1936 $
Halifax	1,864,036	—0.8	2,361,328
Saint John .	1,582,074	+7.3	1,855,649
Moncton	903,453	—17.7	784,788
Sherbrooke .	411,068	—24.1	670,767
Quebec	2,739,064	—17.8	4,055,677
Montreal	78,889,167	—15.6	109,779,408
Ottawa	14,085,236	—32.1	28,474,590
Kingston ...	455,363	—16.2	533,660
Peterborough	563,767	—2.3	696,591
Toronto	104,782,435	—7.7	134,366,187
Hamilton ...	4,270,536	+11.6	4,529,145
Kitchener ...	945,846	—2.7	1,107,808
Brantford ...	824,217	+9.1	994,415
London	2,783,360	+18.1	3,490,588
Chatham	390,568	+2.7	458,810
Windsor	2,437,535	—2.6	3,044,573
Sarnia	589,178	+8.7	504,067
Sudbury	1,097,374	+19.7	941,355
Fort William	1,116,360	+20.6	934,551
Winnipeg ...	48,001,710	+28.4	72,614,792
Regina	2,542,549	—3.4	3,257,032
Saskatoon ..	1,207,652	—6.9	1,489,465
Prince Albert	306,925	—16.2	351,646
Edmonton ..	3,129,479	—11.6	4,068,261
Calgary	5,005,426	—19.4	5,211,767
Lethbridge ..	405,829	—1.4	445,005
N. W'minster	499,972	+4.8	577,611
Vancouver ..	15,836,137	+8.5	18,191,271
Victoria	1,463,310	+2.1	1,735,409

Ottawa Speculates Over Beaton-Finlayson Letters

From Our Own Correspondent

OTTAWA. — Publication in The Financial Post June 20 of the correspondence between G. D. Finlayson, superintendent of insurance, and the National Life Insurance Co., caused unbounded interest on Parliament Hill.

There was much speculation on two points:

1. Did this correspondence get into print in the report of the insurance branch without approval of Hon. Charles A. Dunning, minister of finance? If so, would he move in the matter?

2. If the government is behind Mr. Finlayson in this dispute, what further steps are contemplated?

It is known that while Mr. Dunning was not informed in detail of the contents of the blue book containing the correspondence, he was aware of the facts in a general way. In short, Mr. Finlayson has Mr. Dunning's support and confidence.

For the moment there are not likely to be further developments. The government will probably let the matter rest as it is. The difficulties may be ironed out before 1937 and further disputes between the National Life and Ottawa made unnecessary.

Agents O. K. Higher Cost Of Licenses

Ontario Group See It as Move Restricting Qualifications

NEW SCHEDULES

Ontario fire and casualty insurance agents are inclined to regard the increase in license fees recently adopted by the province as a first step in the direction of agents' qualification restrictions.

The Ontario Fire and Casualty Agents' Association, comprising a province-wide membership, and other agents' organizataions in the province have for some years urged examination of agents before a license is granted. As a further restriction, higher license fees have also been advocated. The Financial Post is informed that about 90 per cent of those in the Ontario Association endorse the new schedule, despite the fact that they will have to pay larger fees. Most of the companies are also in favor of the change.

The new schedule, which is effective Oct. 1, is on a population basis. On all classifications other than life, agents doing business in municipalities with a population of more than 50,000 will be assessed $25; those in centres between 25,000 and 50,000, $15; between 10,000 and 25,000, $10; elsewhere in the province, or where a license is expressly limited to accident and sickness insurance only, the cost is $5. Licenses for insurance brokers will be $25.

Under the new system, Fort William and Port Arthur, Kitchener and Waterloo, and the Essex Border Municipalities, respectively, shall be considered as one municipality.

Premiums Gain For Eagle, Star

Increase of Over $1.5 Million Last Year

An increase of more than $1.5 million in premium income featured 1935 operations of the Eagle, Star and British Dominions Insurance Co.

Life business of the English company was slightly lower during the year, but this decrease was much more than offset by an increase in fire and casualty lines to bring premium income for the year to $19,901,635, as compared with $18,369,152 in the previous year.

Total assets are up about $1.2 million at $119 millions. Most important changes in the balance sheet include an increase of $3,275,000 in capital stock at $14,539,853, of almost $740,000 in casualty funds, and of about $210,000 in profit and loss account to bring the total to $1,252,006. Provision for pensions of $486,660 has been set up.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

The law forbidding the granting of discriminatory allowances or rebates for advertising (Section 498A of the Criminal Code) was among those upheld by the Supreme Court of Canada in its decisions handed down June 17. As a matter of fact, however, the legislation has proved an ineffective barrier, many manufacturers getting around it by purchasing services from large retailers, to get exactly the same effect as a straight advertising allowance.

The advertising account of B. C. Packers Ltd., Vancouver, is now under the direction of the Benison Co. from the latter's new Vancouver offices.

Hugh M. McIntyre, owner of the Times Job Print, Hamilton, was elected president of the Advertising Club of that city at a meeting of the board of directors. H. E. Dennison, of Russell T. Kelley Ltd., is vice-president and Frank Seldon secretary-treasurer. The Club's "June Jaunt" will be held June 28 at Wasaga Beach, the annual picnic on July 8, and the golf tournament Aug. 19.

C. F. Goodman has been appointed account executive by the Walsh Advertising Co., Windsor. He will be in charge of the Empire Foods Corp. account.

Several new members were added to the Ontario Provincial Dailies Association at the annual meeting in Toronto recently. The organization now includes all the daily newspapers in Ontario outside of Toronto, Hamilton, London, Windsor and Ottawa. Le Droit, French daily in the latter city is a member. C. O. Tatham, Woodstock Sentinel-Review, was elected president; C. D. Dingman, Stratford Beacon-Herald, vice-president; T. L. Ashton, secretary-treasurer; directors, W. J. Coyle, T. H. Kay, Allan Holmes, H. B. Burgoyne, W. B. Preston, F. H. Leslie, and Howard Fleming. A co-operative advertising campaign for the group has just opened using morning newspapers in larger centres.

Merging of the advertising business of Volney C. Irons, Vancouver, with the Benison Co., Toronto, advertising agency, is announced. Mr. Irons becomes a director of the latter and will manage the new Vancouver branch.

FIDELITY
Insurance Company of Canada
TORONTO

65 Years of Security and Stability to Policyholders
ASSETS NOW EXCEED $106,000,000
INSURANCE IN FORCE EXCEEDS $387,000,000
For Maximum Life Insurance Protection at minimum cost—consult
Confederation Life Association
Head Office Toronto

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE - WINNIPEG
Splendid Agency Opportunities Available

GUARANTEED BY EAGLE, STAR AND BRITISH DOMINIONS INSURANCE CO. LIMITED, OF LONDON, ENGLAND
FIRE
BRITISH CROWN ASSURANCE CORPORATION LIMITED
GLASGOW SCOTLAND
J. H. RIDDEL *Manager*
V. G. CREBER *Asst. Manager*
HEAD OFFICE FOR CANADA: 217 BAY ST., TORONTO
AGENTS
LYON & HARVEY, *General Agents*, 15 King St. W., Toronto
Applications for Agencies in unrepresented districts invited

Fire and Windstorm INSURANCE
Over Half A Century of "Service with Security". Est. 1884
THE PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY
MAXIMUM COVERAGE AT MINIMUM COST
For fifty-two years this purely Western Company has successfully provided Western Canada with insurance at cost.
Careful selection of risks, high character of investments and reinsurance treaties assure "Portage" policy-holders of the fullest measure of protection.
Branches: WINNIPEG, REGINA, CALGARY
35
The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE MAN.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE — Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

ESTABLISHED IN 1850 ÆTNA SYMBOL OF SECURITY
The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .
CALGARY • MONTREAL • TORONTO • VANCOUVER • WINNIPEG

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.

Make Dividends on your Fire Insurance
TURN "EXPENSE" INTO "INVESTMENT"
OUR plan of mutual fire insurance will not only give you full protection in a sound, reliable company—it will also earn you dividends of 20% to 30% each year.
Write for descriptive folder to our nearest office
Vancouver
Kelowna
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Edmonton
Calgary
Saskatoon
Winnipeg
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Quebec City
St. John
Halifax
NORTHWESTERN MUTUAL FIRE ASSOCIATION

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING JUNE 27

Range 1936 High	Low	Div R'te $	Jne26 Y'ld %		Sales	Last June 22	Week end. June 27 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	380	1.85	1.80	1.70	1.70
13	6½	.	...	D. pref. 6%	230	9½	9½	9½	9½
12	6½	.	...	Do. cert. dep.	....	(8½ bid — asked)			
4½	4½	.	...	Acadia Sugar	....	(4 bid — asked)			
20	14½	50c	2.8	Acme Glove	63	17	20	18	20
100	95	6.50	6.5	Do. pref.	35	97	100	100	100
10	7½	40c	4.8	Agnew Surp.	105	8½	8½	8½	8½
107	102	7	6.8	Do. pref.	35	102½	103½	103	103½
6	3	.	...	Alta. Pac. Gr.	....	(4 bid 5 asked)			
39	25	.	...	Do. pref.	100	29	30	28	28
3	2	.	...	Amal. Electric	....	(1 bid 2½ asked)			
23	14	.	...	Do. pref.	5	15	15	15	15
40½	29½	15c	...	Amer. Cyn. B.	40	34	34	34	34
54½	51½	3.50	6.4	Ang. C. Tel. pf.	6	53	54½	54½	54½
33½	17½	.	...	Asbestos v. t.	1551	32	33½	32	33½
15	9½	60c	5.7	Assoc. Brew.	100	10	10½	10½	10½
110	103	7	6.8	Do. pref.	1	104½	103	103	103
35	34	.	...	Assoc. T. & T. p.	....	(7 bid — asked)			
106	105½	7	6.6	Atlan. Sugar, p.	....	(105 bid — asked)			
				B					
58½	51½	2.25	3.9	Bank of Canada	48	58	58	57	58
140	133	8	5.7	Bk. Can. Nat.	....	(137 bid 139½ asked)			
214	182½	8	4.2	Bk. Montreal	136	191	192	191	192
300	271	12	4.2	Bk. N. Scotia	152	286	288	286	286
235	225	10	4.4	Bk. Toronto	4	226	226	226	226
13½	11	75c	...	Barcelona	....	(8 bid 11½ asked)			
17½	10½	.	...	Bathurst Pr.	5837	14½	14½	14½	14½
5½	3	.	...	Do. (B)	....	(4 bid 4½ asked)			
4	1½	.	...	Bawif Grain	5	2½	2½	2½	2½
38	24	.	...	Do. pref.	100	25	30	26½	30
3	2½	.	...	Beath & Sons.	40	2½	2½	2½	2½
15	9½	.	...	Beatty Bros. A.	5	9½	9½	9½	9½
105	96	6	5.9	Do. pref.	....	(101½ bid — asked)			
3½	1½	.	...	Beauharnois	1284	2½	2½	2	2½
110	105	4	3.6	Belding Cort.	....	(99 bid 110 asked)			
135	130	7	5.2	Do. pref.	....	(123½ bid — asked)			
150	140	6	4	Bell Telephone	439	148½	149	148½	148½
36	30	1.25	...	Biltmore Hats	5	35	35	35	35
110	110	7	6.4	Do. pref.	....	(107 bid — asked)			
5	3½	.	...	Bissell, T. E.	....	(4 bid 5 asked)			
50	33	.	...	Do. pref.	....	(42 bid 45 asked)			
5	3½	.	...	Blue Ribbon	....	(4 bid 4½ asked)			
33	27	2	6.8	Do. pref.	50	30½	30½	30½	30½
31½	25½	2	7.6	Brant. Cord. pf.	384	26	26½	26	26½

Range 1936 High	Low	Div R'te $	Jne26 Y'ld %		Sales	Last June 22	Week end. June 27 H	L	Cl'se
3	1	.	...	Gt. W. Saddlery	....	(1½ bid 2½ asked)			
30	13	.	...	Do. pref.	10	22	19	19	19
8½	5½	.	...	Gurd, Chas.	75	5½	5½	5½	5½
100	100	7	7	Do. pref.	....	(93½ bid 100 asked)			
8½	5½	.	...	Gypsum, Lime	808	6½	6½	6½	6½
				H					
6½	4	.	...	Ham. Bridge	95	5½	6	5½	5½
39½	25½	.	...	Do. pref.	50	37½	38½	38½	38½
29½	25½	2	7	Ham. Cot., pf.	110	29½	28½	28½	28½
1½	1	.	...	Ham. U. Theat.	60	1	1	1	1
53	50	4	...	Do. pref.	....	(52½ bid 55 asked)			
4	2½	.	...	Harding Carpet.	580	4	4	3½	3½
9	1½	.	...	Hillcrest Coll.	....	(2½ bid 10 asked)			
16	7	.	...	Do. pref.	....	(— bid 15 asked)			
15½	12	50c	4	Hinde & Dauch.	75	13	12½	12½	12½
7	6	.	...	Holt Renfrew	....	(4 bid — asked)			
40	30	.	...	Do. pref.	25	35	40	40	40
.70	.40	.	...	Honey Dew	100	.50	.50	.50	.50
12	7	.	...	Do. pref.	....	(10 bid 12 asked)			
14½	9½	.	...	H. Smith Pap.	860	11	11	10½	11
119	88	1.50	...	Do. pref.	314	91	91	90½	90½
35	29½	2	6.7	Humberstone S.	50	29½	30	30	30
7½	4½	.	...	Hunts (A)	....	(5 bid 7½ asked)			
7½	6	.	...	Do. (B)	....	(6 bid 8 asked)			
90	74	5	6.7	Huron & E. Mt.	7	74	75	75	75
12½	10	.	...	Do. 20% pd.	....	(— bid 11 asked)			
10½	6½	.	...	Hydro Electric	100	6½	7½	7½	7½
				I					
221	198	10	4.8	Imperial Bank	24	211	208	205	208
24½	20½	50+75c	5.8	Imperial Oil	10819	21½	21½	21	21½
14½	13½	52½c	3.7	Imperial Tob.	3723	14	14	13½	13½
7½	7	.	...	Do. pref.	....	(7½ bid — asked)			
30	19	1	...	Inter. City Bak.	....	(27 bid 30 asked)			
45	40	4.50	...	Inter'c Coal	....	(— bid 49½ asked)			
115	115	8	6.9	Do. pref.	....	(115 bid — asked)			
b5½	2½	.	...	Int. Hyd. E. A.	1600	3½	3½	2½	2½
7½	4	.	...	Int. Metal Ind.	355	6	7	6	6½
43	30	.	...	Do. pref.	40	39½	43	39	43
105½	101	5	4.8	Inter. Mill., pf.	65	102½	103	102	103
54	43½	1.20	2.4	Inter. Nickel	43498	49½	51½	49½	50
6	2½	.	...	Inter. Paints	70	3½	3½	2½	2½
29½	19	1.12½▲	...	Do. pref.	....	(— bid 17 asked)			
b7½	3½	.	...	Int. Pa. & P. A.	600	5	5	4½	4½
b4	2½	.	...	Do. (B)	300	3	2½	2½	2½
b3½	1½	.	...	Do. (C)	1100	2½	2½	2½	2½
b36½	20½	.	...	Do. pref.	5600	30½	31½	30½	30½
39½	33½	1.50+1	6.8	Inter. Pete.	4240	36½	36½	35½	36½
6	3½	.	...	Inter. Power	....	(3 bid 4 asked)			
91	57	6	6.8	Do. pref.	47	90	91	91	91
15½	13	.	...	Int. St. Rly. A.	....	(13½ bid 14 asked)			
14½	3½	.	...	Int. Util. (A)	140	9½	9½	9½	9½
2.25	.40	.	...	Do. (B)	265	1.15	1.15	1.05	1.15
				J					
36	33	1.50	4.2	Jam. Pub. Ser.	....	(35 bid — asked)			
127	123½	7	5.5	Do. pref.	....	(127 bid — asked)			
				K					
9	6½	.	...	Kelvinator	25	6½	7	7	7
107	105½	7	6.6	Do. pref.	....	(105½ bid — asked)			
				L					
22	16½	.	...	Lake of Woods.	190	19½	20	19½	20
143	123	1.75	...	Do. pref.	30	143	143	143	143
58	54	5	9.2	Landed Bank	....	(55 bid 82 asked)			
4	3	.	...	Langley's	400	3	4	4	4
50	35	.	...	Do. pref.	....	(40 bid 50 asked)			

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

June 29, 1936

Dominion of Canada Bonds

			Bid June 29	Asked June 29	Approx. Yield	Bid June 18
†‡Dominion	5	1 Mar. 1937	102.80	103.25	.11	103.00
‡Dominion	5½	1 Dec. 1937	106.65	107.00	.52	106.80
Dominion	2½	15 Oct. 1939	103.50	104.00	1.36	103.60
Dominion	4	15 Oct. 1939	108.00	108.50	1.36	108.10
Dominion	2	15 Nov. 1939	102.00	102.50	1.24	102.20
Dominion	1½	1 June 1940	100.00	100.50	1.37	100.00
Dominion	4½	1 Sept. 1940	110.35	110.85	1.79	110.50
Dominion	5	15 Nov. 1941	114.35	114.85	2.08	114.50
Dominion	3	15 Oct. 1942	105.60	106.10	1.97	105.60
Dominion	2½	1 June 1943	103.00	103.50	1.96	103.00
Dominion	5	15 Oct. 1943	115.35	115.85	2.61	115.50
Dominion	4½	15 Oct. 1944	113.60	114.10	2.60	113.65
▪Dominion	2½	15 Aug. '43-45	99.25	99.75	2.53	99.35
Dominion	4	15 Oct. '43-45	109.35	109.85	2.52▲	109.35
Dominion	4½	1 Feb. 1946	113.50	114.00	2.82	113.65
Dominion	3½	15 Oct. '44-49	105.65	106.15	2.68▲	105.60
Dominion	4	15 Oct. '47-52	108.50	109.00	3.07▲	108.35
Dominion	3	1 June '50-55	100.15	100.65	2.94▲	99.80
Dominion	4½	1 Nov. '46-56	111.25	111.75	3.18▲	111.25
Dominion	4½	1 Nov. '47-57	111.25	111.75	3.27▲	111.25
Dominion	4½	1 Nov. '48-58	111.75	112.25	3.30▲	111.75
Dominion	4½	1 Nov. '49-59	112.00	112.50	3.34▲	111.85
▪Dominion	3¼	15 Jan. '56-61	101.25	101.75	3.13▲	101.20
Dominion	3¼	1 June '56-66	100.60	101.10	3.17▲	100.35

Dominion Guaranteed Bonds

			Bid June 29	Asked June 29	Approx. Yield	Bid June 18
*G. T. P. Ry.	3	1 Jan. 1962	100.25	101.25	2.98	99.75
Can. N. Ry.	3	1 May 1944	104.00	105.00	2.30	103.75
Can. N. Ry.	3	15 Dec. '45-50	100.00	101.00	2.88▲	99.25
Can. N. Ry.	3	15 Feb. '48-53	99.50	100.50	2.95▲	99.00
*Can. N. Ry.	4½	1 Sept. 1951	115.50	116.50	3.15	115.50
*Can. N. Ry.	4½	1 Feb. 1956	116.00	117.00	3.33	116.00
†Can. N. Ry.	4½	1 July 1957	113.50	114.50	3.52	113.50
*Can. N. Ry.	4¾	15 June 1955	118.00	119.00	3.39	118.00
Can. N. Ry.	5	1 Feb. 1954	117.75	118.75	3.58	117.75
*Can. N. Ry.	5	1 July 1969	118.00	119.00	2.89▲	118.25
*Can. N. Ry.	5	1 Oct. 1969	120.00	121.00	3.35▲	120.50
*M. Harb. C.	5	1 Nov. 1969	120.25	121.50	3.32▲	120.50

Provincial Government Bonds

			Bid June 29	Asked June 29	Approx. Yield	Bid June 18
Eastern—						
N. Bruns.	4	1 Sept. 1954	105.00	106.00	3.56	105.00
†N. Bruns.	4½	15 Apr. 1961	110.75	111.75	3.77	110.75
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.93	115.50
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.94	99.50
N. Scotia	4½	15 May 1943	108.25	109.25	3.01	108.25
N. Scotia	4½	15 Sept. '47-52	110.25	111.25	3.32▲	110.25
†N. Scotia	5	1 Mar. 1960	117.25	118.25	3.83	117.00
†N. Scotia	5	1 June 1962	107.00	108.00	3.53	106.50
*Ontario	4					
*Ontario	4½	1 Sept. 1944	111.50	112.50	2.78	112.00
Ontario	4½	1 June 1950	111.00	112.00	3.42	111.00
*Ontario	4½	15 Jan. 1962	112.50	114.00	3.86	113.00
Ontario	5	15 Oct. 1948	115.00	116.00	3.42	114.75
*Ontario	5	2 Dec. 1960	120.00	122.00	3.64	119.50
Ontario	5½	1 July 1946	116.75	117.75	3.39	116.50
O. H. C.	3½-4-5	1 Oct. '36-52	101.50	102.50	4.25•	102.00
Ont. Hyd. C.	4¼	1 Jan. 1970	115.00	116.00	3.89	113.50
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1952	107.00	108.00	3.35	107.00
Quebec	4¼	1 Aug. 1958	110.00	111.00	3.54	110.00
Quebec	4½	2 Jan. 1963	111.50	113.00	3.73	111.50
Western—						
Alberta	4	15 Dec. '49-54	63.00	68.00	...	65.00
†Alberta	4	1 Dec. 1957	63.00	68.00	...	65.00
Alberta	4½	1 Oct. 1951	70.00	75.00	...	70.00
†Alberta	4½	1 Oct. 1956	67.00	71.00	...	68.00
†Alberta	5	1 Jan. 1948	68.00	73.00	...	68.00
Alberta	5	1 Sept. 1955	68.00	72.00	...	66.00
*Alberta	5	1 Oct. 1959	68.00	73.00	...	68.00
†Alberta	5½	1 Jan. 1947	70.00	75.00	...	70.00
Alberta	6	1 Mar. 1947	71.00	75.00	...	72.00
†Brit. Col.	4	1 Dec. 1957	81.00	85.00	5.17	81.00
*Brit. Col.	4½	15 Jan. 1951	87.00	90.00	5.49	88.00
†Brit. Col.	4½	1 Oct. 1953	86.00	88.00	5.58	87.00
†Brit. Col.	5	15 Jan. 1948	90.00	92.00	5.94	89.00
Brit. Col.	5	1 Sept. 1953	90.00	92.00	5.73	88.00
Brit. Col.	5½	1 Feb. 1945	91.50	93.00	6.58	91.00
Brit. Col.	6	15 Feb. 1947	92.50	94.50	6.72	92.00
Manitoba	4	2 Jan. 1950	91.00	94.00	4.58	95.00
†Manitoba	4	1 Dec. 1957	92.00	94.00	4.43	95.00
†Manitoba	4½	15 Dec. 1956	96.00	99.00	4.58	98.00
†Manitoba	5	15 June 1954	100.00	103.00	4.75	103.00
*Manitoba	5	2 Dec. 1959	103.00	107.00	4.52	105.00
Manitoba	5½	1 Oct. 1955	100.00	102.00	5.32	101.00
Manitoba	6	1 Apr. 1947	100.00	102.00	5.75	101.00
Sask.	4	15 Aug. 1953	78.00	81.00	5.77	81.00
Sask.	4	1 Nov. '55-60	76.00	80.00	5.49	79.00
*Sask.	4½	2 July 1945	88.00	92.00	5.65	90.00
†Sask.	4½	1 Oct. 1951	86.00	90.00	5.47	90.00
†Sask.	4½	15 Mar. 1960	85.00	87.00	5.48	87.00
Sask.	5	1 Aug. 1958	86.00	91.00	5.72	89.00
†Sask.	5½	15 Nov. 1946	92.00	95.00	6.11	93.00
Sask.	5½	1 Oct. 1952	92.00	95.00	5.98	93.00
Sask.	6	15 Mar. 1952	93.00	96.00	6.40	95.50

Municipal Bonds

			Bid June 29	Asked June 29	Approx. Yield	Bid June 18
†Halifax	5	1 July 1961	113.50	115.00	4.04	113.50
Hamilton	5	1 May 1950	108.75	110.75	3.96	108.75
Montreal	5	1 Mar. 1945	101.50	102.00	4.72	101.00
Ottawa	4½	1 July 1945	110.50	112.50	2.91	110.50
†Quebec	5	1 June 1959	106.00	107.50	4.47	106.00
St. John	5	15 Dec. 1950	107.00	108.50	4.21	107.50
†Toronto	4½	1 Jan. 1955	111.50	113.50	3.50	111.50
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.53	103.00

*Payable Can., N.Y. & £. †Payable Can. & N.Y. ▲Calculated to call date giving lowest possible yield. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Corporation Bonds

Furnished by Toronto Bond Traders' Association

June 29, 1936

Public Utility Issues:	Int. Rate %	Due	Bid June 29	Asked	Bid June 22
Ass. Tel. & Tel.	5½	'55	86½	89½	85½
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois P.	5	'73	32	35	29
Do. L. H. & P.	5½	'73	97	99½	90
*Bell T'phone	5	'55	115½	118½	115½
*Do.	5	'57	121½	...	119½
†B. C. Power	5	'60	104½	107	104½
†Do.	5½	'60	106	109	106½
B. C. T'phone	5	'60	107	109	106½
†Calgary Power	5	'64	99	102	98½
Do.	5	'64	94½	98½	95
†Can. Nor. Pwr.	5	'64	102½	105½	103
Dom. Gas & El.	6½	'53	92½	95½	92½
*Gatineau Pr.	5	'56	97	100	97½
*Do., A	6	'41	95	98	96
*Do., B	6	'41	94	97	95½
*Int'l. Hydro	6	'44	41	44	45
Int'l. Pwr.	6	'57	96	99	96
Do.	6½	'57	98½	101½	98½
†Maclaren-Que.	5½	'61	79½	82½	77
Do.	5½	'64	77½	80½	76
†Mtl. Island Pr.	5½	'57	104½	107	104½
†Mtl. L. H. & Pr.	3½	'56	102	104	102
Montl. Tram.	4½	'55	78½	81½	...
Do.	5	'41	102	104	102
Do.	5	'55	81	84	81½
Nat'l. L. & P.	6	'49	98	101	98½
†N.S. L. & P.	5	'58	105	107½	105
†Ottawa Light	5	'57	107	...	107
Ottawa Tract.	5½	'55	100	103	99
Ottawa Val. Pr.	5½	'70	77½	80½	73½
†Power Corp.	4½	'59	98	101	98½
*Quebec Pr.	5	'68	105½	108½	105½
Saguenay Pr.	4½	'66	101	104	101
†Shawinigan	4	'61	97	100	97½
Do.	4½	'70	103½	106	103½
South. Can. Pr.	5	'55	105½	108½	105½
†United Secs.	5½	'52	83½	86½	83
West. Pwr. Co.	3	'49	105	...	...
Winnipeg Elec.	4½	'60	103	...	...
*Do.	6	'54	83	86	81½

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 29, 1936	Bid	Asked
INDUSTRIAL STOCKS:		
Acadia Sugar com.	4.10	4.40
Do., pfd.	4.70	5.00
Acme Farmers Dairy, pfd.	39.00	43.00
Algoma Steel, new pfd.	....	55.00
Andian National	48.25	50.00
Assoc. Tel. & Tel., pfd.	40.00	45.00
B. C. Pulp & Paper, pfd.	7.50	10.00
Burns & Co., A	10.50	12.00
Do., B	5.75	6.25
Canada Paper, pfd.	110.00	116.00
Canada Starch, pfd.	94.00	98.00
Canada Tea, pfd.	31.00	....
Can. Tube, 1st pfd.	47.00	....
Can. Wire & Cable, pfd.	103.25	105.00
Can. Industries, A Com.	220.00	....
Do., B Com.	216.00	220.00
Do., pfd. X.D.	157.00	160.00
Can. Ingersoll-Rand	100.00	115.00
Can. Westinghouse	57.00	60.00
Chase, A. W., pfd. bonus	24.50	25.75
Claude Neon, pfd.	2.75	3.50
Conduits Nat., new com.	2.50	3.00
Dom. Found. & Steel, com. (new)	40.00	....
Do., pfd. (new)	91.00	95.00
Dom. Rubber, pfd.	99.50	101.50
Dunlop Tire, pfd.	76.00	....
East. Dairies, pfd.	8.00	10.00
Edmon. City Dairy, pfd.	60.00	....
Federal Grain, com.	1.50	2.50
Do., pfd.	58.00	61.00
Goderich Elevator	10.00	11.00
Greening Wire, pfd.	104.50	107.00
Guelph Carpet, pfd.	104.00	108.00
Do., com.	16.00	17.25
Highland Dairy, com.	2.50	3.50
Do., pfd.	78.00	....
Inter. City Bak., com.	26.50	29.50
McLaren Power, com.	9.00	11.00
N. Meth. Laund., pfd. bonus	76.00	81.00
Ont. Tobacco Plant, pfd.	30.00	35.00
Prov. Paper, pfd.	100.00	103.00
Reliance Grain, pfd.	82.00	85.00
Rob. Consol. Cone	8.50	9.25
Ruddy, E. L., pfd.	27.00	40.50
Silverwood's Dairies, pfd.	50.00	....
Stand. Fuel, pfd. bonus	104.00	106.50
Supertest Petroleum, B pfd.	26.75	29.00
Toronto Carpet, pfd.	36.00	....
Toronto Housing	....	10.50
United Steel, A pfd.	6.00	6.25
West. Grain, pfd. bonus	....	17.00
Willards Chocolates, pfd.	17.00	....
TRUST & LOAN STOCKS:		
Chartered Trust	81.00	84.00
Guelph Ont. Inv., par $50	48.00	52.00
London & West. Trust	56.00	60.00
Premier Trust	....	....
Sterling Trust	36.00	....
Traders Fin., B pfd. bonus	32.00	35.00
Trusts & Guarantee	40.50	43.00
Waterloo Trusts	37.00	....
INSURANCE STOCKS:		
British America	41.00	45.00
Canada Life	520.00	535.00
Canadian Fire	74.00	80.00
Can. Ins. Shares	12.50	15.00
Confed. Life 20% pd.	116.00	120.00
Cont. Life 20% pd.	37.00	41.00
Crown Life	125.00	....
Dominion Fire	116.00	130.00
Dominion Life 50% pd.	285.00	300.00
Dom. of Can. Gen.	120.00	130.00
Empire Life 25% pd.	7.25	9.00
Excelsior Life 30% pd.	70.50	72.00
Federal Fire 25% pd.	39.00	....
Fidelity Ins. of Can.	....	50.00
Great-West Life	390.00	400.00
Guar. of N. A. fully pd.	250.00	....
Halifax Fire	22.00	23.50
Imperial Life	340.00	....
Manufacturers Life	260.00	266.00
Monarch Life 10% pd.	19.50	21.50
National Life 25% pd.	....	52.00
Sovereign Life 25% pd.	17.00	18.75
Sun Life	....	450.00
Toronto General Ins.	4.00	5.00
Western Assur., com.	42.50	45.00
Do., pfd.	41.25	45.00
THEATRE STOCKS:		
Allens Beach, pfd.	61.00	65.00
Do., Calgary, com.	5.00	6.75
Do., Kingston, pfd.	60.00	....
Do., Parkdale, pfd.	59.00	....
Do., Toronto, pfd. bonus c.	29.00	33.00
Eastern Theatres, com.	4.25	5.25
Do., pfd.	76.00	81.00
Loew's London, pfd.	2.00	3.00
Do., Toronto, pfd.	111.00	....
Mansfield Theatre, pfd.	29.00	....
Paramount Kitchener, pfd.	46.00	....
Do., Oshawa, pfd.	85.00	92.00
United Amusement, A	....	20.00
Do., B	15.00	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	7.95	8.20
Can. Investors Corp.	7.00	8.00
Can. Int. Inv. Trust Units	58.00	....
Cons. Div. St. Sec. Units	13.00	14.50
Debenture & Sec., pfd.	62.00	....
Dom. Scott. Inv. Units	34.00	37.00
For. Power Sec., pfd.	7.00	10.00
Invest. Found. Units	50.00	52.00
Sec. Holding Units	23.00	26.00
United Corpns., A	21.00	22.00
Do., B	7.00	8.00
POWER ISSUES:		
Calgary Power, pfd.	83.00	85.50
Can. Light & P., com.	20.00	23.50
Can. West. Nat. Gas, pfd.	92.50	95.00
Do., com.	23.00	25.00
Great Lakes Pwr., pfd.	90.00	93.00
Inter. Util., 7.00 pfd.	78.00	....
Nor. Ont. Power, pfd.	100.50	103.25
Nova Scotia L. & P., pfd.	101.50	103.00
Do., com.	83.00	86.00

Unlisted Mines

June 29, 1936

	Bid	Asked
Albany River	.64	.66
Ardeen	.16	.18
Area	.04½	.05½
Arrow Head	.37	.40
Athabaska	..	.33
Athona (Gt. B. L.)	.49	.53
Bailor	.05½	.06
Bankfield Gold	.71	.74
Bidgood Kirkland	1.85	1.87
Big Master	.49	.51
Blue Star	.34	.37
Bousquet Gold	.12	.12½
Big Long Lac	.08	.09
Brae Breest	.14½	.15
Callinan Flin Flon	.16	.18
Can. Kirkland	.03	.03¾
Capital Rouyn	.23	.25
Casey Contact	.08	.06½
Casey Summit	.25	.27
Central Porcupine	.51	.55
Chromium	2.05	2.15
Coin Lake	.21½	.23
Columario	.02	.03½
Cuniptau	.34	.36
Dunlop, new	.08	.10
Dorval Siscoe	.24	.26
Frontier R. Lake	.16½	.17½
Gilbec	.06	.07
Gillies Lake	..	.65
Glenora	.35	.37
Gold Eagle	1.97	2.05
Goldside	.24	.26
Golden Crest	.24	.27
Golden Gate	.33	.35
Golden Rose	1.20	1.30
Gordon Lebel	.88	.40
Horseshoe	.05¼	.07¼
Hudson Patricia	.20	.23
Jellicoe	.21	.23
Johnson Nipigon	.08	.10
Kaw Crow	.24	.27
Lafayette L. Lac	.04½	.05½
Lapa Cadillac	.35	.38
Leitch Gold	.58	.81
Long Lac Lagoon	.10	.12
Madsen Red L.	.47	.50
Manitoba Basin	.07	.08
Magnet Lake	.11	.13
Martin McNeely	.53	.55
Matachewan Can.	.14	.16
May Spiers	.36	.39
McCarthy Webb	.35	.37
Mosher	.47	.50
Moffatt Hall	.09	.11
Moffatt Hall (new)	.36	.38
Murmac	.15	.17
Matalac	.22	.25
North Shores	.08	.04
Oklend	.39	.42
Opemiska	1.30	1.40
Oriole	.09	.10
Paulore	.32	.35
Porcupine Gold R.	.04	.05
Proprietary M.	.46	.30
Queen Lebel	.13	.15
Ricard Ramour	.70	.72
Rice Lake	.08½	.10
Rubec	.17½	.18½
Sand River	.32	.35
Skookum	.36	.40
Smelter Gold	.08	.09½
South Keora	.15	.18
Spooner	.23	.23
Springer	.10	.13
Straw Lake	.10	.12
Sturgeon R. Gold	..	.45
Wendigo	.16	.18
W. Red Lake	.07	.08
West Side L.	.23	.24
White Horse	.10	.31
Wilson R. Lake	.20	.23
Winoga	.34	.37
Young Davidson	.21	.33
Young Shannon	.16	.31

Winnipeg Stocks

(Transactions from June 22 to June 27)

	Sales	High for period	Low for period	Close June 27
Bailor Gold	3,800	.07	.06	.06
Cres. Cream. pf.	10	33.00	33.00	33.00
Cons. Goldfields	28,000	.27½	.28	.27½
Darwin	1,200	.70	.69½	.70
Flin Flon	23,200	.30	.24	.25
Forty Four	125	2.00	2.00	2.00
Gold Lake	5,700	.55	.49	.49
Geneva	105	1.65	1.55	1.65
Gurney Gold	4,200	.51	.49	.50
Gt. Falls M. & S.	2,100	.18	.14	.14
Gold Island	1,950	.20	.20	.20
Kingfisher	15,500	.03½	.02½	.03½
Island Lake	1,500	.05½	.05	.05
Jowsey Is.	700	.09	.09	.09
Optic Lake	412	1.80	1.60	1.75
Ore Grande	25,900	.19	.17	.18
Knee Lake	2,500	.04	.03½	.03½
Scattergood	1,000	.03½	.03½	.03½
Packsack	1,050	.25	.24	.25
Rice Lake	3,500	.13½	.12	.12
Rice Lake Units	15	6.00	6.00	6.00
Scotia	5,500	.07½	.07	.07½
Vanson Man.	6,500	.04	.03	.03
Wingold	18,600	.09½	.08	.08
Wylie Dom.	1,200	.45	.43	.45
Wallace Lake	3,000	.05	.03½	.03½

Stocks Not Traded in During Week

	Bid	Ask.
	..	100
Beaver Fire Ins.	135	..
Can. Indemnity	..	10
Comm. Securities	1	11
Dom. Envelope, com.	24	25
Home Invest.	8	9½
Northern Trust	75	..
Traders Bldg.	13½	14
United Grain	6½	..
West. Steel, pf.	..	1.75
West. Breweries		

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close June 27	Yield %
Anglo-Huronian	20c	3.30	..
Beattie Gold	†5c	1.30	..
Bralorne	20c+5c	8.00	2.5
Buff. Ankerite	20c	7.90	..
Bulolo Gold	‡$1.40	30.00	6.2
Cariboo	10c	1.60	..
Central Patricia	†4c	3.90	..
Coniagas†	12½c	3.40	..
Cons. Smelters	50c	54.75	6.9*
Dome Mines	$2+$2	57.75	3.5
Falconbridge	30c	8.30	5.1*
Hollinger	65c+15c	15.75	..
Howey Gold	5c	.77	..
Hudson Bay	$1	23.50	..
Island Mountain	‡5c	1.80	..
Int. Coal & Coke‡	1c	.20	5.4
Inter Mining	60c	11.00	2.4
Int. Nickel, c.	$1.20	50.00	..
Kerr Lake	5c	.80	6.3
Kirk. Lake‡	3c	.55	..
Lake Shore	$4	58.50	4.6
Little L. Lac	10c	6.35	..
Macassa	15c	4.35	..
McIntyre	$3	43.50	..
McKenzie R. Lake	†3c	1.85	..
McKinley Sec.	2½c	.65	..
McWatters Gold†	5c	1.62	..
Nipissing	25c	2.45	..
Nor. Can. Mining	2c	.50	
Noranda	‡$1.25	59.00	
Pickle Crow	10c	6.00	
Premier	12c+1c	2.47	
Pioneer, B.C.	30c	8.75	
Reno	12c	1.18	
Stand Silver	1c	.45	
San Antonio	21c	2.39	
Sheep Creek	†2c	.84	
Siscoe	20c	2.90	
So. Amer. Gold	30c	4.85	
Sylvanite	20c	2.70	
Teck-Hughes	40c+5c	3.80	
Toburn	5c	1.39	
Ventures	†2½c	1.93	
Wright-Har.	40c+20c	3.60	
Ymir Yankee	†2c	.47	

‡Interim. †Initial. *Yield incl bonus.

Range 1936 High	Low	Div R'te $	Jne26 Y'ld %		Sales	Last June 22	Week end. June 27 H	L	Cl'se
15½	9½	30c	...	Brazilian Tr.	15767	12½	13½	13	13½
1.45	.80	.	...	Brew. & Distil.	3650	1.00	1.05	1.00	1.00
4½	2½	.	...	Brewing Corp.	380	2½	2½	2½	2½
18½	13½	1.50	9.3	Do. pref.	340	15	16½	15½	16½
9	5	30c	6	Bright, T. G.	10	5½	5	5	5
82	80	6	7.5	Do. pref.	....	(75½ bid — asked)			
27½	16½	80c	3.1	Brit. Amer. Oil	24412	24½	26½	24½	26
13	8½	.	...	B. C. Packers	115	9	9	8½	8½
32½	28½	1.50	4.9	B. C. Power A.	880	30	30½	29½	29½
5½	3½	.	...	Do. (B)	170	4½	4½	4	4½
16	9	10c	...	Bruck S. Mills.	415	9½	9½	9	9
37½	33	1+25c	3.6	Building Prod.	178	34½	35	34½	35
20½	20	.	...	Burry Bis.	475	..	20½	20	22
53	51	3	...	Do. pref.	225	51	52	52	53
47½	37½	2	4.9	Burt, F. N.	80	40½	41	41	41
				C					
86½	78	6	7.5	Calgary, Pr., pf.	....	(— bid 85 asked)			
6	4½	.	...	Canada Bread	80	4½	5	4½	4½
97	90	1.25+50c	.	Do. pref. A.	....	(— bid — asked)			
44	30	.	...	Do. pref. (B)	130	36½	40	38	40
10½	6½	40c	...	Canada Bud	1400	10½	10½	9½	10
8	6	.	...	Canada Cement.	260	6½	6½	6	6½
75	58	.	...	Do. pref.	137	67½	68½	67½	68
70	57	1.50+1	4.2	Can. & D. Sug.	70	58	60	60	60
b16½	10½	.	...	Canada Dry	3300	14½	14½	13½	14
7	3	.	...	Can. Forg. (A)	....	(4½ bid — asked)			
2	2	.	...	Do. (B)	....	(2 bid — asked)			
50	40	.	...	Canada Iron	....	(30 bid 50 asked)			
60	60	3	5	Do. pref.	....	(51 bid — asked)			
35	30½	1.50+50c	6.2	Can. Malting	851	32	32½	32	32
25½	22½	1.20	4.9	Can. Nor. Pr.	205	24½	24½	24½	24½
111	107½	7	6.4	Do. pref.	15	109½	109½	109	109
93	80	3	3.6	Can. Packers	35	83½	83½	83	83
118	105	.	...	Can. Paper, pf.	....	(109 bid — asked)			
2	1½	.	...	Can. Paving, pf.	....	(1½ bid 3½ asked)			
160	137½	8	5.3	Can. Perman.	53	149½	151	149½	149½
3½	1	.	...	Can. Steamsh's.	40	1½	1½	1½	1½
15½	6½	.	...	Do. pref.	210	6½	6½	6½	6½
27½	19½	1.20	6	Can. Vinegars	465	20½	20½	19½	20
27	20½	.	...	Can. W. Cable	....	(28 bid 29 asked)			
12½	9	.	...	Do. (B)	....	(10½ bid 11 asked)			
102½	98½	.	...	Do. pref.	....	(104 bid — asked)			
4	2	.	...	Can. Bakeries	....	(2 bid 3½ asked)			
57	42	.	...	Do. pref.	39	43	42	42	42
170	148	8	5.2	Can. Bk. Com.	60	153	155	153	153½
41	31	1	2.6	Can. Bronze	20	39	38	38	38
116	101½	5	4.6	Do. pref.	10	108	108	108	108
5½	4	.	...	Can. Canners	4	4½	4½	4½	4½
100	88½	6	6	Do. 1st pfd.	41	99½	100	99	99½
8½	5	.	...	Do. 2nd. pfd.	850	5½	6½	5½	6½
8	5½	.	...	Can. Car. & Fd'y	1035	7½	7½	6½	6½
17½	13	.	...	Do. pref.	445	16½	16½	15½	15½
31½	25½	40c	...	Can. Celanese	823	28½	29½	29	29
128	112	7	5.8	Do. pref.	329	121	120	120	120
21	18	.	...	Do. Rights	35	20	20	20	20
30	22½	2	7.4	Can. Convert.	....	(25 bid 27 asked)			
51	48	4	7.8	Can. Cottons	....	(50 bid — asked)			
105	97	6	6	Do. pref.	....	(100 bid 102½ asked)			
50	37	2+1	6.1	Can. Dredge	957	47½	50	49	49
100	98½	6	6.1	Can. Fairb., pf.	....	(92½ bid — asked)			
34	23½	1.60	5.5	Can. For. Inv.	92	29	29	28½	28½
107	105	8	7.5	Do. pref.	....	(107 bid — asked)			
175	150	5	3.1	Can. Gen. Elec.	....	(125 bid — asked)			
8½	7½	40c	...	Can. G. Inv.	....	(7½ bid — asked)			
48	26	.	...	Can. Hyd. El. p.	391	35	35	34	34½
12½	6½	.	...	Can. Ind. Alc.	4774	7½	7½	6½	6½
11½	5½	.	...	Do. (B)	1050	6½	6½	5½	5½
225	221	4+75c	...	Can. Indust. B.	....	(221 Mar. 21)			
4	1	.	...	Can. Int. I. Tr.	....	(1 bid 3 asked)			
65	35	.	...	Do. pref.	....	(55 bid — asked)			
23	20	1	5	Can. Lt. & Pr.	....	(20½ bid — asked)			
4	2½	.	...	Can. Locomo.	....	(— bid 3 asked)			
b2½	1½	.	...	Can. Marconi	1836	1½	1½	1½	1½
18	12	50c	4.2	Canadian Oil	165	12	12½	12	12
130	123	8	6.2	Do. pref.	....	(128 bid — asked)			
15½	10½	.	...	Can. Pacific	7722	12½	13	12½	13
.15	.10	.	...	C. Pr. & Pa. In.	18	.15	.10	.10	.10
7	4½	.	...	Do. pref.	150	5½	6	6	6
3½	1½	.	...	Can. Vickers	35	2	2½	2½	2½
25	12	.	...	Do. pref.	....	(7½ bid 20 asked)			
3½	2	.	...	Can. Wineries	50	2½	2½	2½	2½
26½	21	1.50	...	Can. Wire Box.	220	25	25½	25	25
101½	100	5	4.9	Carnation, pf.	385	101½	101	100½	101
3½	2½	.	...	Catelli Food	60	2½	3½	3½	3½
15	12	38c	...	Do. pref.	60	13	12	12	12
165	165	8	4.8	Cent. Can. Loan	....	(160 bid 195 asked)			
1.60	.85	.	...	Chem. Research	21850	1.05	1.35	1.01	1.24
3.60	1.75	.	...	City Gas & Elec	....	(— bid 1.75 asked)			
.60	.25	.	...	Claude Neon	25	.25	.25	.25	.25
14½	12½	92c	...	Coast Brew.	....	(13½ bid 13½ asked)			
5½	4	.	...	Do. Rights	1261	5½	5½	5½	5½
9½	6½	.	...	Cockshutt Plow	765	7	7½	7	7½
1.35	.60	.	...	Comm. Alcohol.	510	.75	.75	.60	.60
18½	15½	80+10c	...	Cons. Bakeries	440	16	16½	16	16½
3½	2	.	...	Cons. Paper	11133	3½	3½	3½	[illegible]
9	5	.	...	Cons. Press	....	(5 bid 6 asked)			
35	33	.	...	Cons. Sand, pf.	....	(31 bid — asked)			
57½	51	50c	...	Cons. Smelters	3854	55	56	54½	54½
205½	189	10	4.9	Consumers' Gas	62	203	203	202½	202½
90	78	7†	8.6	Corr. P. Box, p.	....	(80 bid 82 asked)			
22½	17½	80c	3.8	Cosmos Imp.	657	20½	21	20½	20½
105	102	5	4.8	Do. pref.	....	(104 bid — asked)			
17	15	80c	5.2	Crown Cork	125	16	16	15½	[illegible]
2½	2	.	...	Crown Dom. Oil	....	(1½ bid 2 asked)			
55	30	3	...	Crow's N. Coal.	....	(50 bid 55½ asked)			
				D					
4	2	.	...	David & Fre. A	50	3½	2½	2½	2½
1½	1	.	...	Do. (B)	....	(— bid 1 asked)			
7	2	.	...	De Havilland	....	(3½ bid 4 asked)			
68	40	.	...	Do. (A)	....	(— bid 61½ asked)			
4	4	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(8 bid 10 asked)			
34½	18½	.	...	Distill-Seagram.	725	22½	22½	20½	20½
222½	190	10	4.9	Dom. Bank	3	205	202½	202½	202½
40½	32	1.20	3.1	Dom. Bridge	825	38	38½	38	38½
17½	14	1.50	9.7	Dom. Coal, pf.	920	15½	15½	15	15½
36	28½	.	...	Dom. Engineer	....	(33 bid 34 asked)			
41	32	.	...	Dom. Foundries	43	40	40	40	40
115	106	5	4.5	Dom. Glass	50	111	110	110	110
155	125	7	4.5	Do. pref.	5	150	155	155	155
35½	33	.	...	Dom. Oilcloth	50	34	34	34	34
100	95	7	7.4	Dom. Rubber, p	....	(90½ bid — asked)			
8	3½	.	...	Dom. St. & C. B.	700	4½	4½	4½	4½
12	8	.	...	Dom. Stores	530	9	8½	8½	8½
7½	4½	.	...	Dom. Tar & Ch.	440	5½	5½	5½	5½
80	57	.	...	Do. pref.	105	78	80	76	80
79	62	5	7.9	Dom. Textile	83	63	63	62	62
148	144	7	4.8	Do. pref.	....	(— bid 145 asked)			
9½	4½	.	...	Donnacona P. A.	1028	7½	7½	7	7
7½	3½	.	...	Do. (B)	320	6½	6½	5½	5½
7	4½	.	...	Dryden Paper	365	5½	5½	5½	5½
				E					
2½	1	.	...	East. Koot. Pr.	....	2½			
16	5	.	...	Do. pref.	....	(8 bid 14 asked)			
3½	1½	.	...	East. Dairies	....	(1½ bid 2½ asked)			
16½	10	.	...	Do. pref.	15	11	10	10	10
13½	10	.	...	East. Steel	....	(11½ bid 13 asked)			
101	80	7	7	Do. pref.	....	96 bid 100 asked)			
85	80	7	8.7	East. Theat., pf.	....	(76 bid 85 asked)			
3	1½	.	...	Easy Washing	90	3	3	2½	3
24	20	62½c	...	Economic Inv.	....	(23½ bid 24½ asked)			
28½	19½	1.60+10c	...	Electrolux	945	23	24	23	24
3	1	.	...	Enam. & Heat.	170	1	1	1	1
24	10½	.	...	Eng. Electric	....	(19 bid 20 asked)			
12½	4	.	...	Do. (B)	....	(8 bid 8½ asked)			
7	7	.	...	European El. A	....	(5½ bid — asked)			
.35	.35	.	...	Do. Warrants.	....	(.15 bid — asked)			
				F					
21½	18	.	...	Fam. Players	....	(18 bid 25 asked)			
20	14	.	...	Do. Vot. Tr.	....	(18 bid 23 asked)			
17½	13½	50c	3.6	Fanny Farmer	775	13½	13½	13½	13½
28½	20	75c	3.6	Ford Motors A.	2426	20½	20½	20	20½
3.00	.65	.	...	For. Pr. Secs.	25	.65	.70	.70	.70
18½	13	.	...	Foundation Co.	310	14½	14½	14	14
19½	9	.	...	Fraser Cos.	738	13	13½	13	13½
19	8	.	...	Do. Vot. Tr.	540	12½	12½	12	12½
.74	.05	.	...	Do. Rights	28040	.31	.31	.05	.05
60	55	6	10.7	Freiman, pf.	....	(57 bid — asked)			
8	2½	.	...	Frost Steel	....	(— bid 5 asked)			
100	89	3.50	...	Do. pref.	....	(94 bid 100 asked)			
				G					
5½	3	.	...	Gen. St. Wares	20	3½	3½	3½	3½
65	45	.	...	Do. pref.	137	46	47	45	47
73	64½	2.50	3.8	Goodyear Tire	28	69½	70	69	69
[illegible]	52½	2.50	4.2	Do. pref.	33	58	58	57½	57½

Range 1936 High	Low	Div R'te $	Jne26 Y'ld %		Sales	Last June 22	Week end. June 27 H	L	Cl'se
69	64½	3	4.3	Laura Secord	100	67	69	69	69
4	2	.	...	Lindsay, C. W.	....	(3½ bid — asked)			
41½	40	.	...	Do. pref.	....	(49 bid 55 asked)			
21	18½	1	4.8	Loblaw (A)	800	20½	20½	20½	20½
19	17½	1	5.3	Do. (B)	1050	18½	18½	18½	18½
				M					
4	4	.	...	Manitoba Pr.	....	(1 bid 4 asked)			
.50	.50	.	...	M. L. Gardens.	....	(.50 bid 1.50 asked)			
4	2½	.	...	Do. pref.	5	2½	3	3	3
2.25	1.00	.	...	Maple Leaf	484	1.25	1.25	1.05	1.25
5½	2	.	...	Do. pref.	55	3½	3½	3½	3½
*12½	12	60c	...	Maritime Tel.	....	(13½ bid — asked)			
15	15	70c	4.7	Do. pref.	10	..	15	15	15
18	18	.	...	Marcus Loew's	....	(14½ bid 18 asked)			
115	111	7	...	Do. pref.	....	(116 bid 119 asked)			
7½	4½	.	...	Massey-Harris	463	5½	5½	5½	5½
40	29½	.	...	Do. pref.	340	34	34½	33½	33½
17½	12½	80c	5.2	McColl Fron.	819	15	15½	15	15½
105	96½	6	5.8	Do. pref.	215	103	104	102½	104
13½	9	50c▲	...	Melchers (A)	120	11	11	9½	10
5½	3½	.	...	Do. (B)	35	3½	4	3½	3½
13½	9	.	...	Mercury Mills, p	47	10	12	12	12
36	30	1	...	Mitchell, J. S.	....	(36 bid — asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
8	5½	.	...	Mitchell, Robt.	....	(6½ bid 6½ asked)			
5	3	.	...	Monarch, Knit.	....	(3½ bid — asked)			
95	85	7	7.9	Do. pref.	....	(85½ bid 86 asked)			
35	26	.	...	Montreal Cot.	....	(30 bid — asked)			
100	85	7	7.5	Do. pref.	....	(— bid 95 asked)			
2½	1½	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
34	30	1.50	4.8	Mont. L. & Pr.	4247	31	31½	30½	31
26	26	2	7.7	Montreal Loan	....	(26 bid 36 asked)			
9	9	.	...	Mtl. Ref. & S.P.	10	9	9	9	9
2	2	.	...	Do. Vot. Tr.	10	2	2	2	2
60	55½	3.20	5.7	Montreal Tele.	....	(56½ bid — asked)			
103	85	9	9.6	Montreal Trams	62	93	94	93	93
39	27½	1	2.6	Moore Corp.	732	37½	38½	38	38½
165	146	7	4.4	Do. pref. (A)	6	158	160	160	160
230	175	7	3	Do. pref. (B).	100	225	230	230	230
1.00	.25	.	...	Muirheads	....	(.40 bid .60 asked)			
3½	3	.	...	Do. pref.	....	(— bid 6 asked)			
				N					
45	37	2	4.5	Nat. Breweries	1078	45	45	44½	44½
43	39½	1.75	4.4	Do. pref.	....	(40 bid — asked)			
7½	5	.	...	Nat. Grocers	75	6	5½	5½	5½
135	130	7	5.3	Do. pref.	....	(133½ bid 135 asked)			
20	16½	.	...	N. Sew. Pipe A.	30	17	17	16½	16½
17½	13	.	...	Nat. Steel Car.	70	14½	14½	14½	14½
210	196	8	3.8	National Tr.	....	(210 bid 215 asked)			
58	34	75c	...	Niag. W. Weav.	100	55	58	58	58
60	56	3	5.1	Do. pref.	65	59	59	59	59
1.75	.90	.	...	North Star Oil.	400	1.55	1.55	1.55	1.55
4.00	3.15	8¾c▲	..	Do. pref.	75	3.50	3.50	3.50	3.50
75	61	3	4	N. S. L. & Pr.	....	(84½ bid — asked)			
102½	100½	6	5.9	Do. pref.	....	(101½ bid — asked)			
				O					
240	199½	8	3.6	Ogilvie Flour	60	225	223	223	223
165	152	7	4.3	Do. pref.	7	161	161	161	161
10	5½	.	...	Ont. Eq. 10% pd.	108	6	6½	5½	5½
112½	109	6	5.3	Ontario Loan	....	(112 bid 115 asked)			
14½	7	.	...	Ont. Silknit	....	(— bid 9 asked)			
90	75	7	9.3	Do. pref.	....	(75 bid 80½ asked)			
8	6	.	...	Ont. Steel	....	(4 bid 6 asked)			
85	74	.	...	Do. pref.	....	(— bid 95 asked)			
.40	.25	.	...	Orange Crush	....	(.30 bid .40 asked)			
22	6	.	...	Do. 1st pref.	35	21	21½	21½	21½
1.35	.40	.	...	Do. 2nd pref.	85	.75	1.35	.80	1.35
95	88	6	6.5	Ott. L. H. & Pr.	....	(93 bid 94½ asked)			
110	101½	6.50	6	Do. pref.	....	(104 bid 107 asked)			
21	15	2	12.1	Ott. Traction	....	(16½ bid 18 asked)			
				P					
95	78½	3	3.3	Page Hersey	135	89½	90	89	89
6½	3½	.	...	Pantepec Oil	795	5½	5½	5½	5½
25	18	.	...	Paton Mfg.	....	(— bid 26 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
57	48	3	5.7	Penmans	30	52	53	52	53
125	118	6	4.9	Do. pref.	....	(123 bid — asked)			
27	21½	1	4.4	Photo Eng.	....	(22 bid 23 asked)			
97	83½	7	7.7	Porto Rico Pr. p	10	90½	83½	83½	83½
18½	11½	.	...	Power Corp.	400	14½	14½	13½	13½
101	97½	6	6	Do. pref.	5	99½	100	100	100
2½	1½	.	...	Prairie C. Oil.	....	(— bid 1½ asked)			
29½	19	87½+12½c	...	Pressed Metals	190	28	28	27	28
6½	2½	.	...	Price Bros.	60	4	4	3½	4
40	22	.	...	Do. pref.	275	28	27½	27	27½
				Q					
18	14	1	6.2	Quebec Power	200	16	16½	16	16
				R					
*58	40	2	...	Real Estate L'n.	....	(— bid 48 asked)			
6½	4½	.	...	Regent Knit.	50	5	5	5	5
15½	12½	.	...	Do. pref.	....	(15 bid 15½ asked)			
10	6	.	...	Reliance Grain.	....	(4½ bid 6 asked)			
21½	19½	.	...	Remington R'd	....	(18½ bid — asked)			
31	29	2.25c▲	6.7	River. S. Mills.	45	30	30	30	30
6½	4	.	...	Rogers Majest.	125	4	4½	4	4½
104	95½	6	6	Rolland P., pf.	10	99	99½	99½	99½
182	164	8	4.6	Royal Bank	111	173	174	170	170
35	30	.	...	Russell Motor	....	(45 bid — asked)			
115	100	7+1▲	6.4	Do. pref.	50	109	109	109	109
				S					
11	6	.	...	Sarnia Br. (A)	....	(7 bid 8 asked)			
3	1½	.	...	Do. (B)	....	(2 bid 2½ asked)			
23½	19	60c	3.1	Shawinigan	1432	19½	19½	19	19
20	10½	.	...	Sher. Wms.	85	16½	16½	10½	10½
127½	115	7+1.75▲	...	Do. pref.	75	115	115	115	115
12	10	.	...	Simon & Son	....	(10 bid 10½ asked)			
93	85	[illegible]	...	Do. pref.	....	(90 bid — asked)			
80	73	4	5.4	Simpson, Ltd.	25	75	75	73½	73½
12	10½	.	...	Do. (A)	....	(— bid 10 asked)			
9	4	.	...	Do. (B)	100	7	7	7	7
117½	111½	6	5.1	Simpson, R., pf.	....	(112 bid 117 asked)			
14	11	80c	6.7	So. Can. Pr.	60	12	12	12	12
100½	98	6	6.1	Do. pref.	105	99	99	98½	98½
2.75	1.50	.	...	St. Law. Corp.	2652	2.50	2.50	2.00	2.25
13½	8	.	...	Do. (A)	5320	13½	13½	12½	13
51	40	2	3.9	St. Law. Flour.	....	(50 bid — asked)			
130	120	7	5.4	Do. pref.	....	(— bid 130 asked)			
34½	20½	.	...	St. Law. Pap. p	1943	34	34	33	33
10	6½	.	...	Stand. Chem.	....	(8½ bid 9½ asked)			
2	2	.	...	Stand. Clay	....	(3½ bid — asked)			
3.75	1.15	.	...	St. Pav. & Mat.	125	2.25	2.12	2.00	2.00
22	12	.	...	Do. pref.	....	(15½ bid 20 asked)			
40	20	.	...	Stand. Steel, pf.	45	35	40	36	40
67½	57	1.75‡	2.7	Steel of Can.	1110	64	65	63½	65
60½	49½	1.75	3	Do. pref.	560	58½	58½	57½	58½
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
2½	½	.	...	Stop & Shop	....	(½ bid 1 asked)			
2½	2	.	...	Supersilk H.	....	(2½ bid 3½ asked)			
72	69	3.50	...	Do. pref.	....	(66 bid 70 asked)			
38	30	1	2.8	Sup. Pete, ord.	25	35½	35½	35½	35½
35	32	1	2.8	Do. com.	....	(33½ bid 40 asked)			
				T					
40	32½	.	...	Tamblyn	20	37	36	36	36
114	110	7	6.4	Do. pref.	....	(110½ bid 112 asked)			
5	1½	.	...	Thayers	245	2	2	2	2
37	28	.	...	Do. pref.	....	(— bid 27½ asked)			
3	1½	.	...	Thrift Stores	....	(— bid 2 asked)			
10	5	.	...	Do. pref.	100	5	8½	8	8½
11	8½	.	...	Tip Top Tailors	25	9	9½	9½	9½
106	102	7	6.6	Do. pref.	55	106	105	105	106
1	1	.	...	Tooke Bros.	....	(1 bid 3 asked)			
22	10½	.	...	Do. pref.	....	(10 bid 20 asked)			
40	34	1	2.8	Tor. Elevators	....	(34 bid 38 asked)			
119	109	7	6.2	Do. pref.	20	112	114	114	114
95	84	4	4.7	Tor. Gen. Tr.	....	(83½ bid 89 asked)			
120	115	6	5	Toronto Mtge.	....	(121 bid — asked)			
155	150	7	4.7	Tuckett Tob., p.	....	(150 bid — asked)			
12½	8	.	...	Twin City	....	(— bid 9½ asked)			
				U					
12½	9	10c	...	Union Gas	1981	11½	12½	11½	12
20	15	30c	...	Un. Amuse. A.	....	(19 bid — asked)			
.95	.80	.	...	United Distill.	200	.85	.85	.85	.85
29	20	.	...	United Fuel, pf.	20	24	24	23	23
25	20	2	8	United Secs.	5	23	25	25	25
4½	2½	.	...	United Steel	160	2½	3	2½	2½
				V					
3½	2	.	...	Viau Biscuit	....	(2½ bid 2½ asked)			
55	12	.	...	Do. pref.	....	(31 bid 39 asked)			
				W					
31½	20	.	...	Wabasso Cot.	25	20	20	20	20
34½	26½	2	6.9	Walker-Good.	2463	28½	28½	28½	28½
19	17	1	5.5	Do. pref.	619	18½	18½	17	18½
3½	2	.	...	Walkerville Br.	295	2½	2½	2½	2½
2½	1	.	...	Waterloo Mfg.	....	(1½ bid 1½ asked)			
10	4½	.	...	West. C. Flour.	....	(5½ bid 6 asked)			
65	36	.	...	Do. pref.	30	47	47	45	47
52	46½	2	3.8	West. Grocers	....	(— bid 50 asked)			
110½	107	7	6.5	Do. pref.	15	108	110	108	108
17½	13½	80c	5.4	Weston Ltd.	707	15	15	14½	14½
102	98	5	4.9	Do. pref.	80	100½	100½	100	100½
1.15	1.15	.	...	Windsor Hotel	....	(1.15 bid — asked)			
4½	4	.	...	Do. pref.	....	(4 bid 6 asked)			
4½	2½	.	...	Winnipeg Elec.	405	2½	3	2½	3
18	10	.	...	Do. pref.	....	(— bid 17 asked)			
53	38	.	...	Wood, A. & J. P	....	(— bid 48 asked)			
67½	50	.	...	Woods Mfg., pf.	10	50	50	50	50
				Z					
3½	2½	.	...	Zimmerknit, c.	75	3½	3½	3½	3½
69	60	3.50▲	..	Do. pref.	....	(65 bid 85 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.

▲ On account of arrears.

b New York quotations.

§ Plus one-eighth share of preferred stock, plus one share of common stock, all payable in settlement of arrears.

‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Corporation Bonds: Industrial and Realty Issues

Industrial and Realty Issues:	Int. Rate %	Due	Bid June 29	Asked	Bid June 22
Abitibi Pwr.	5	'53	49	52	48
†Acadia Sugar	4½	'55	101	104	101
†Alta. P. Grain	6	'46	96½	101½	99
†Asbestos Corp.	5	'42	106	...	105
Balfour Bldg.	6	'34	38½	41½	...
B. A. Oil	4	'45	104	106½	104½
Burns & Co.	5	'58	80	84	...
Can. Biscuit	6½	'46	23	26	24
Can. Bread	6½	'41	109	...	108½
†Can. Cement	5½	'47	106	108	106
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines	5	'43	103	...	102½
Do.	6	'41	54	57	54½
Can. Atl. Rly.	4	'55	95	98	...
Can. Canners	6	'36	97	100	...
Can. Bakeries	6½	'48	88½	...	...
*Can. Int. Paper	6	'49	91	94	91
C. P. R.	3½	'51	96½	96½	95½
Do.	4	'49	103	106	103½
Do.	4½	'44	100	103	100
Toronto Carpet	6	'44	102½	[illegible]	[illegible]
United Amuse.	5	'46	98½	101½	98½
United Corp.	5	'53	93½	96½	93
Unit. Grain G.	5	'48	98	101	98
Do.	5½	'49	102½	105½	102
Union Gas	4½	'43-50	96½	99½	97
Western Grain	6	'49	82	85	82
Zimmerknit	6	'51	98	102	99

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S. •Unstamped.

Week in Wheat

Entry of Drought Ends "Bumper Crop" Chances

Dry Weather Cutting Into Southern Saskatchewan and Manitoba — But Total of Nearly 400 Million Bushels Still Expected

From Our Own Correspondent

WINNIPEG.—The position of the western Canadian wheat crop is now definitely worse than was the case 10 days ago. Bumper possibilities no longer exist.

Drought which has hit the northern spring wheat areas in United States has extended into the southern sections of Saskatchewan and Manitoba. In some of these districts damage is now considered irreparable. Just north of them the outlook is doubtful without early and heavier rains than have been experienced so far in the last few days. In north central Alberta and Saskatchewan, too, serious drought damage is reported.

Over a large section of the west, however, there is a reasonable expectation of a better than average crop. A total yield of 350 to 400 million bushels is indicated, with the higher estimate depending upon good July rains. Cooler weather with showers this week has helped the general situation.

Moderate-sized Crop

THIS view of a moderate sized wheat crop is confirmed by such private observers as Gordon Brown, of Regina. After completing a 2,000 mile tour of the prairies he estimates a total yield of 380 million bushels based on present conditions, as follows:

	Estimate 1936 (Bus.)	Final Yield 1935 (Bus.)
Man.	48,000,000	22,500,000
Sask.	195,000,000	135,000,000
Alta.	137,000,000	102,000,000
Total	380,000,000	259,500,000

* * *

May Continue U. S. Export

WITH this recent drastic downward revision in spring wheat prospects on both sides of the line, continued export of Canadian milling wheat into the United States during the next crop year is now possible. Bakers and housewives generally throughout the United States have developed a taste for high grade flour. Even when the domestic spring wheat crop has ranged up to 250 million bushels, it has all been required for home use. Exports have been mainly either of Kansas winter wheat or of soft white wheats produced in other parts of the country.

But it must be remembered that the spring wheat crop of last year besides being low in yield, was poor in quality. This created a condition under which it was easy for Canadian wheat to find an entry in spite of the duty of 42 cents a bushel. When a miller had to use 5, 5½ and even 6 bushels of the light weight crop of last year to produce a barrel of flour as compared with a normal rate of 4½ bushels, there was a decided incentive to buy full weight Canadian wheat. This combination of an abnormally small and abnormally poor quality U. S. spring wheat crop may be too much to expect this year, but nevertheless there is a possibility of some Canadian again moving across the line.

* * *

Russia Out of Picture

LIVERPOOL and Continental authorities seem to agree as to the probability that Russia will have no wheat to spare for export in the coming crop year. Although winter wheat yields promise to be good, and it is from the winter wheat area that the bulk of exports is usually made, drought has severely affected a large part of the spring wheat area. The general opinion is that this will create a sufficient deficiency in Russia's total grain production to prevent much winter wheat being spared for export.

* * *

Flour Freights

COMPLAINT of the Ontario Flour Mills Association regarding flour rail rates from Georgian Bay ports has been dismissed by the Board of Railway Commissioners. The millers claimed that a special competitive rate for wheat, lower than that for flour, mitigated against flour exports. The board answered it was not proved the Ontario millers had suffered any prejudice from the competitive wheat rate because the same or lower rates are available from water carriers between the same points.

It is the contention of the millers, however, that flour and wheat should pay the same rate whether shipped by water or rail. If wheat goes for less, they argue that the British miller, for instance, will have an advantage as he is able to bring in wheat at a lower rate than the Canadian miller can export his flour. Moreover the British miller, it is argued, enjoys a further advantage in a substantially higher price for his by-products, i.e., shorts, bran and other livestock feed.

New Wheat

Too much rain is delaying seeding in the Argentine.

* * *

Ontario winter wheat prospects continue favorable. Acreage, however, is considerably below average.

* * *

Broomhall estimates the coming European crop, aside from Russia, at 80 million bushels less than a year ago.

* * *

Mid-central and northern sections of the United States wheat belt continue to deteriorate with feed grains and hay as well as wheat threatened.

* * *

Western Canada wheat is now reported in the shot blade in the more southerly sections. Excessive heat in some localities is hastening abnormal maturity but the general situation still remains mostly favorable.

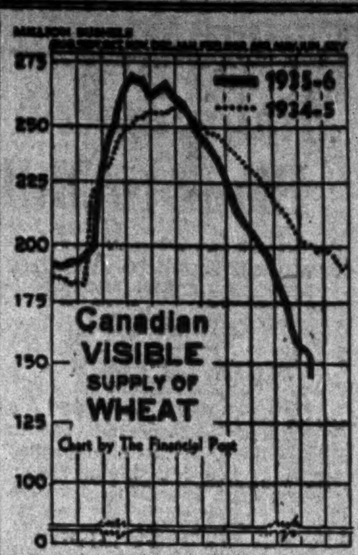
* * *

Traders have come to the fairly general conclusion that United States wheat production this year will not be more than sufficient to meet the domestic demand. Winter wheat is estimated at 500 million bushels and spring wheat at 150 million.

Hornby Pushing Settlement Plan

The "Hornby Plan of British Settlement," a proposal for organized immigration of selected British families is receiving increasing support in western Canada.

Most important support given the movement to date appears to be from Saskatchewan. The legislative assembly at its last session passed a resolution stating that "this assembly is of the opinion that the time has now come when the Canadian government should get in touch with His Majesty's government of Great Britain with a view to putting forward a scheme for the voluntary redistribution of the white peoples of the Empire and thereby creating a stimulation of shipping and trade under the flag."



NEARING NORMAL

With 6 weeks of the current crop year yet to be reported, Canadian visible was down to well below the 150 million bushel mark by the middle of June. If selling is continued at the recent rate to July 31 the end of the crop year, then a carry-over not much in excess of 100 million bushels is in prospect. This would be the best since 1929, when the world grain situation was considered normal.

Latest available statistics in bushels are as follows:

Week of June 19	Week Previous	Last Year
Canadian Visible		
146,177,000	150,997,000	196,247,000
Export Clearances*		
4,311,701	5,911,803	2,197,625

*Plus U. S. imports.

Turgeon to Act Alone on Wheat

Scope of Probe Bars Assistants from Grain Board

From Our Own Correspondent

OTTAWA.—Appointment of Hon. W. F. A. Turgeon, of Regina, as a one-man commission to enquire into wheat marketing, mixing, grading and export markets caused surprise at Ottawa. A 3-man commission was expected.

The reasons for the change were twofold. The government was unable to obtain the services of a prominent eastern banker with long experience in the West, and, also, a second man from the West proved politically difficult to find. Had the Commons' wheat committee excluded mixing and grading from the suggested reference to the commission, the government would have chosen as assistant either E. B. Ramsay or Dr. Duncan A. MacGibbon, chairman and vice-chairman respectively, of the Board of Grain Commissioners. But as the latter body is in charge of grading, such a procedure might have been deemed improper.

Mr. Turgeon will leave within a week for Europe to tackle the export market phase of his enquiry. He will return in September to resume the textile probe and when that is concluded he will begin the main task of investigating wheat marketing, grading and mixing, in Canada.

J. B. Coyne, K.C., of Winnipeg, will act as commission counsel.

National Steel Car Secures $400,000 Order

From Our Own Correspondent

MONTREAL.—National Steel Car Corp. has received a contract from the Temiskaming and Northern Ontario Railway for the construction of 9 air-conditioned passenger and passenger-baggage coaches for the road.

Approximately $400,000 is involved.

Delivery of the new equipment is expected about September 1.

Question Dump Duties On Fruit, Vegetables

Clip Wings of Horticultural Council and Adopt Tariff Zones

By GORDON L. SMITH

OTTAWA. — Seasonal or dump duties on fruit and vegetables have lost caste.

The old system of special prohibitive tariffs, whereby a few favored growers and possibly jobbers were able to make large profits at certain seasons of the year, seems doomed.

Modified by Treaty

Under the recent U. S.-Canada trade agreement these dump duties were greatly modified. Moreover, in the last few weeks, during the height of the season for most of these special levies, the new government at Ottawa has shown a distinct inclination not to levy even the reduced maximum dump permissible under the agreement. Not content with this modification, federal authorities are understood to have asked for a survey of the whole field of fruit and vegetable dump duties. As a result, it is expected the commodities affected will be made considerably cheaper in those areas where climate will not permit production such as the prairie provinces and the Maritimes.

Talk Four New Zones

It is quite probable the country will be divided into four main zones: the Maritime provinces, Quebec and Ontario, the Prairie provinces, and British Columbia. Then when domestic production of say, strawberries, commences in May in British Columbia, Ottawa may put on the special dump or seasonal duty on this fruit in that zone, gradually extending it to other sections as new production comes in, and provided there is sufficient of this production to supply the whole area protected.

In years of short crops, such as the present one of strawberries in British Columbia, the dump may not be applied in the other zones at all. Formerly in such a short year, those lucky growers with a good early crop would have made large profits on their production and little domestic fruit would reach such inland centres as Winnipeg.

Indeed a start has already been made on the zoning idea with some recent promulgations not applying to the Maritime Provinces.

Dump Was Embargo

That the old dump duties were not duties at all but virtual embargos is indicated by the following table which gives valuation, then the old combined and regular duties, and finally, the present maximum combination duty under the U. S. agreement.

Seasonal Vegetable Duties

Kind:	Value per lb. c.	Total duty before U.S. Agreement c.	Present maximum total duty c.
Asparagus..	10	10.1	6.5
Cabbage ...	1.2	3.6	2.5
Cauliflower..	4.5	6.6	4.3
Celery	5	3	1.7
Cucumber..	3	5.4	3.7
Lettuce ...	4	2.5	1.5
Spinach	2.5	2.4	1.5

Protection at $1,000 Per Acre

Now, on many of these vegetables which yield a very heavy tonnage per acre, total duties of 5 cents per pound are equal to anywhere from $600 to $1,000 per acre. This, of course, is an embargo. When the dump has gone on, in theory, just as domestic production is starting, it has meant an end of any further orders of imports.

Not only are the new maximum duties much lower than the old ones previous to the U. S. agreement, but as previously mentioned, in many cases so far that maximum duty has not been applied. In a few instances the dump has not been put on at all; in others, only to the extent of about 50 per cent.

Sought Imported Prices

These special dump, or as originally known, seasonal duties, are a post-war development. Certain groups in the fruit and vegetable growing population of Canada, after looking longingly at 35 cent imported strawberries in March, came to the conclusion that these fancy returns could be secured for domestic production if there was an embargo against early United States produce. And so an energetic lobby under the National Horticultural Council got under way and the dump duties followed.

Horticultural Council Set-up

The council is composed of the following main groups of members:

1. Canning companies.
2. Jam manufacturers.
3. Fruit and vegetable jobbers.
4. Big nursery firms.
5. Fruit and vegetable growers.
6. Amateur gardeners, under the horticultural societies.

It is generally known that the last mentioned group was taken in largely for reasons of weight. There are horticultural societies scattered all over Canada, and total membership runs into many thousands. But control and main activity were concentrated in the first five groups, though numerically these would be only a fraction of the population represented by the horticultural societies.

Government Supported

In addition to a varying scale of fees from members in the groups above, the council gets an annual grant from the Dominion government. A few years ago this ran as high as $12,500. But depression and succeeding ways of government economy have brought it down to $4,500. Secretary and driving force behind the council is L. F. Burroughs. He is reputed to be one of the shrewdest and best-informed individuals in that fairly substantial group of representatives of various interests which make their headquarters in Ottawa.

Seasonal Duties

Seasonal duties were rather a new thing in the complicated manufacture of tariffs. Instead of asking for blanket protection the year round, which might result in a rumpus among consumers during the many months when they would have no other option but to buy imported products, something different was devised. This was a fairly moderate regular duty the year round and a prohibitive tariff during that season when Canadian production was on.

This would mean usually a month or two for such short seasoned products as strawberries, to 6 or 8 months for lettuce and ordinary vegetables. One of the main weaknesses of the legislation lay in the fact that Canada was such a big country that it would be quite conceivable to have one vegetable ready for use in British Columbia weeks if not months ahead of the Maritime provinces. However, in the first few years of the seasonal duty, when harvest started anywhere in the country then the dump duty on that particular product was applied. There was no provision against short crops, the full dump going on whether Canadian production was sufficient to go around or not.

How Applied

But by long odds the weakest link in the whole arrangement was the machinery of application. The usual procedure, The Financial Post is reliably informed, consisted of a message from the secretary of the Horticultural Council to either the Minister of National Revenue or Agriculture, suggesting that the dump on a certain vegetable or fruit should be applied on a definite date. An order-in-council normally followed in due course and the embargo went on.

Value of Advance Knowledge

Advance knowledge of these dump duties would prove of inestimable value to fruit and vegetable importers because the levy did not apply to orders placed before the date of the dump. It was not necessary, The Post understands, to have the consignment rolling. It was not even necessary to have completed the purchase. Simply a more or less open order could be placed for so many cars. Then these could be brought in any time during that period when Canadian production seemed insufficient to meet consumption.

No claims have been made that anyone on the inside warned fruit and vegetable jobber Council members when the dump duties were to be put on. After the application of the dump duties became a routine affair it would not be necessary in any case. But the plan permitted wonderful possibilities of profit at the expense of the consumer, and without any tangible benefit to any but the earliest growers.

Profit Possibilities

Take the case of strawberries. The first of these might be ready for consumption in British Columbia two or even three weeks before those in Ontario. But with the prohibitive dump applicable for 3 weeks in advance of central Canada, very high prices would naturally prevail during the lag between B. C. and Ontario production. In this period there would be a fine opportunity for profit by far-sighted importers who might have ordered their cars in advance of the dump, but for delivery after the dump was applied. Consumers might have to pay the shot without any compensating advantage to the Ontario growers. Because just as the latter began volume shipping, the weight of the domestic crop would invariably bring down all prices to a new level.

Myth of Imported Prices

Indeed the myth of securing the high prices which prevailed for southern imported produce has long been exploded. A recent survey by the economics branch of the Department of Agriculture shows conclusively that there is practically no relation between prices for imported produce before the season of domestic production and prices of the same type of produce when grown in Canada. Practically a new market is established for such products when home production gets under way.

U. S. Protests

But the old plan of seasonal or dump duties on fruit and vegetables went on under both Liberal and Conservative governments until last year. Negotiations with Washington prior to the recent trade agreement, however, brought these dump duties into the limelight. Washington protested, and as a result the maximum dumps were considerably reduced.

Again when the usual memoranda started coming from Mr. Burroughs this spring, there occurred another hitch. One of the two ministers concerned requested more information. Application of dump duties was delayed. Some of these were not put on at all; others to only about 50 per cent of the maximum allowed under the U. S. treaty.

This was not all. Apparently Messrs. Gardiner and Ilsley of the federal cabinet were not satisfied that it was in the public interests to have an association which represented producers and sellers in a position where it could practically dictate as to when and where Canadians should buy their vegetables. A check on the Dominion treasury for $4,500 seems to be about the only gift that the National Horticultural Council is going to receive this year.

Curb Powers

In addition to dividing the country into zones so that embargos will not work a hardship on consumers in territory where no domestic production is available, in the near future, The Financial Post understands, a committee of agriculture and national revenue officials will be set up to take over the work of deciding when, where and how much dump duty on imported vegetables will be applied. Such a committee will take into consideration such facts as short crops, national distribution, and may even go so far as to give some consideration to the consumer's ability to pay.

Grain Elevator Profits Believed Disappointing

While elevator companies look forward to a more satisfactory new year commencing with harvesting of the 1936 crop, the season drawing to a close has been disappointing.

The crop as a whole was practically as large in Western Canada in 1935 as in 1934, but financial returns were decidedly smaller.

One reason is that small handlings have not been offset by large earnings on storage of old grain, as in preceding years. Not only has a considerable portion of the Canadian wheat carryover now been sold, but much of the balance has been carried in eastern elevators—some in Canada, some in the United States, and to a fairly large extent in lake vessels.

This has been the case more than usual in the last 12 months. Such procedure would help companies like Toronto Elevators, the elevators of which are all in Ontario, but it would not benefit the big purely western companies.

Rate Reductions

In addition, this year the rate of storage on grain actually carried has been small. Last year there was a reduction in the standard storage rate from the one cent per bushel per month to three-quarters of one cent. While the reduction was announced as in the interests of farmers, the benefit accruing to farmers, who carried practically no grain in storage, has been negligible.

A large benefit, however, automatically accrued to the Canadian Wheat Board, whose costs of operation have been correspondingly reduced. On grain which it did not own, but was carrying through the futures market, the Canadian Wheat Board allowed, in switching hedges from one delivery month to another, a very narrow spread. It is inevitable that unfavorable results from these causes will be reflected to a large extent in the accounts of elevator companies when the latter are published this fall.

Earnings Ratio

It is true that the rate of interest charged by the banks on grain loans has been reduced during the past year, and that some companies have done much of their borrowing in the United States at extremely low rates.

But the benefit has gone more to the farmer than to the elevator company doing the borrowing, for buying prices on grain, or spreads between different months, tended automatically to adjust themselves to the lowest prevailing interest rate.

Competition Severe

Since the pool elevator systems discontinued the pooling of grain, they have been competing vigorously with what are usually called the "line" elevator companies (although they are all "line" companies) for the handling of grain sold in the regular way on the open market or handled for the Canadian Wheat Board.

The end of the pooling did not restore to these companies the business they had lost when elevators were specially built to accommodate pool grain.

Instead they have now to meet a condition caused by the over-expansion of elevator building in the West when the pool experiment was at its height.

When added to these difficulties there is a small crop to handle, it is only storage earnings on carried-over grain which establishes the possibility of satisfactory earnings.

Standing of the leading public Canadian elevator companies at the end of their 1935 fiscal year (July 31, with the exception of Alberta and Pacific which ended June 30), were as follows:

Comparative Statement of Leading Elevator Companies

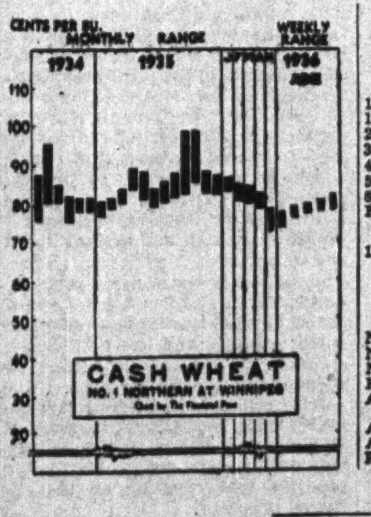
	Inventory 1935 $	Inventory 1934 $	Bank Loans 1935 $	Bank Loans 1934 $	Times bond int. earned after deprec. 1935	Times bond int. earned after deprec. 1934	Earnings preference shares 1935 $	Earnings preference shares 1934 $
Alberta Pacific	3,558,138	4,341,288	3,306,155	4,306,000	1.06	1.12	nil	nil
Bawlf Grain	2,026,970	1,505,256	1,881,100	1,136,000	1.10	2.06	0.05	0.65
Federal Grain	3,601,822	6,595,271	2,367,570	5,576,085	1.09	1.10	0.47	0.26
Reliance Grain	6,217,947	8,779,518	5,076,382	7,702,156	2.12	2.85	4.69	10.74
Toronto Elevators	4,546,441	4,315,945	4,195,000	3,190,000	*7.53	*11.70	12.20	14.06
United Grain	3,754,256	5,718,979	1,447,064	3,784,240	1.71	2.15	†0.88	†1.71
Western Grain	2,961,373	4,314,093	2,346,000	3,681,000	0.64	0.81	nil	nil

*On indebtedness to city of Sarnia. †Common stock.

PRESIDENT

E. H. Adams, vice-president of the British Columbia Electric Railway Co., Vancouver, who was elected by acclamation, president of the Canadian Electrical Association at the convention held at Murray Bay, Que.

Wheat Prices



(Cash Quotations)

	For Week June 29 High	For Week June 29 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard ...	.85¾	.83½	.83¾	.80⅝
1 Northern	.84	.81¾	.83⅜	.78⅝
2 Northern	.81¾	.79⅝	.81	.76¼
3 Northern	.77¾	.75½	.77⅝	.72⅝
4 Northern	.73½	.71	.73⅝	.68⅝
5 Wheat	.65¾	.63½	.65⅝	.60⅝
6 Wheat	.62½	.61	.61⅝	.55⅝
Feed Wheat	.49¾	.47½	.49⅝	.44⅝
Vancouver: Week to June 27:				
1 Northern	.81⅛	.79	.80⅝	.76⅛

Competitive Export Prices: (June) shipment.

	High Week to June 25	Low Week to June 25
No. 1 North. (Vanc.) ...	0.96¼	0.95⅝
No. 2 North. (Atlan.) ...	0.95½	0.93½
No. 2 North. (Vanc.) ...	0.96¼	0.94⅝
Hungarian*	0.82½	0.81¾
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.97⅜	0.95½
Australian	0.97½	0.97⅝
French	unquoted	

*Old and new crop, July-Aug. shipment.

Winnipeg Grain Futures

Week to June 29, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open June 24	High for week	Low for week	Close June 29
		Wheat				
.92⅝	.73½	July	.83¼	.84½	.81	.82
.89	.74⅝	Oct.	.84	.84⅝	.81⅝	.82½
.85	.75½	Dec.	.85	.85	.81⅝	.82⅞
		Oats				
.33⅜	.30	July	.32	.32⅝	.31½	.31½
.31½	.29⅝	Oct.	.31	.31⅛	.30⅝	.31⅛
.30¼	.28¼	Dec.	.29¾	.30¼	.29⅝	.29⅞
		Barley				
.40⅜	.35⅝	July	.39⅝	.39¼	.38	.39
.40¼	.34½	Oct.	.39	.39½	.37⅝	.38⅝
.40½	.35	Dec.	.40⅛	.40½	.38¼	.39½
		Flax				
1.63	1.40¼	July	1.48¾	1.50⅝	1.45	1.46
1.45¾	1.37½	Oct.	1.48	1.49⅝	1.45⅝	1.46⅛
		Rye				
.51⅛	.39⅛	July	.49¼	.51⅛	.47¼	.48⅝
.53⅛	.41⅛	Oct.	.51⅛	.52⅝	.48⅛	.50
.53⅝	.42	Dec.	.51⅝	.53⅝	.49⅛	.51

DIVIDEND NOTICES

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1936, to Stockholders of record as of the 20th day of July, 1936.

Also a quarterly dividend of Twenty-Five (25c) Cents per share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1936. Payable the 1st day of August, 1936, to Stockholders of record as of the 20th day of July, 1936.

By Order of the Board.
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
June 26th, 1936.

Notice to:
The Holders of First (Closed) Mortgage Sinking Fund 6% Gold Bonds, Due April 1, 1948, of
DOMINION SQUARE CORPORATION

Notice is hereby given that the undersigned, Dominion Square Corporation, on the 15th day of July, 1936, will make payment of the instalment of interest which became payable on the 1st day of April, 1934, in respect of the above mentioned Bonds.

Such payment will be made at the option of the respective holders, in lawful money of Canada, at the principal office of the Bank of Montreal, in the cities of Montreal, Toronto, Halifax, Quebec, Ottawa, Winnipeg, Regina, Edmonton, or Vancouver, or in lawful money of the United States of America at the head office of the National City Bank of New York in the City of New York, U.S.A., upon presentation and surrender of the coupons representing the interest payable on the said 1st day of April, 1934.

Montreal, June 25th, 1936.
DOMINION SQUARE CORPORATION
J. S. McFarland,
Secretary.

DIVIDEND NOTICES

Ymir Yankee Girl Gold Mines Limited (N.P.L.)

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the Company at the close of business on the 10th day of July, 1936, and that the dividend will be payable on or after the 1st day of August, 1936.

The Register of Transfers will be closed at the close of business on the 10th July, 1936, until the opening of business on the 20th day of July, 1936.

By Order of the Board.
W. A. SUTTON,
Secretary.
Vancouver, B.C., June 24, 1936.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 87

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ending 31st August, 1936.

Notice of Common Stock Dividend No. 42

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for the quarter ending 31st August, 1936.

The above dividends are payable on the 1st day of October, 1936, to Shareholders of record at the close of business the 15th day of September, 1936.

By Order of the Board.
D. F. POLLOCK,
Secretary.

Robin Hood Mills Limited
Millers of
Robin Hood Flour
Robin Hood Oats
Coast to Coast Service
Moose Jaw — Saskatoon — Calgary
Edmonton — Vancouver — Winnipeg
Fort William — Toronto — Saint John
Moncton — Quebec — Montreal

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
GRAIN COMMISSION MERCHANTS
SHIPPERS AND EXPORTERS
ALL GRAINS-SACKED FEEDS
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

JACKSON BROS.
GRAIN COMPANY LIMITED
HURON & ERIE BLDG. — WINNIPEG
STOCK EXCHANGE BLDG. — VANCOUVER
STOCKS — BONDS — GRAIN
Members, Winnipeg Grain Exchange — Winnipeg Stock Exchange
Vancouver Stock Exchange — Canadian Commodity Exchange.
Orders executed over private wires on
NEW YORK - MONTREAL - TORONTO - VANCOUVER

PARRISH & HEIMBECKER LIMITED
Incorporated 1909
Grain Receivers, Shippers and Exporters
HEAD OFFICE: WINNIPEG
BRANCH OFFICES:
MONTREAL TORONTO PORT ARTHUR
LETHBRIDGE CALGARY EDMONTON
VANCOUVER
"An old established firm with a reputation for doing business RIGHT"

From Wagon to Sea-Board —
Fair and Efficient dealing is the "A.P." Standard of Service.
The ALBERTA PACIFIC GRAIN COMPANY Ltd.
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

BARNETT-McQUEEN COMPANY LTD.
Designing Engineers and Contractors—All Classes of
GRAIN ELEVATORS - WAREHOUSES
DOCKS AND HEAVY STRUCTURES
PROPOSALS INVITED
"Nothing Too Large or Too Small"
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FORT WILLIAM, ONTARIO

NATIONAL ELEVATOR CO., LTD.
WINNIPEG, MAN.
COUNTRY ELEVATORS IN THE WESTERN PROVINCES TO SUPPLY SELECTED OATS, BULK OR SACKED, FOR LAKE-HEAD SHIPMENTS FOR EASTERN TRADE
WINNIPEG, CALGARY, EDMONTON, PORT ARTHUR

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants—Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

NORRIS GRAIN COMPANY
LIMITED
WINNIPEG AND TORONTO
PRIVATE WIRE SERVICE
GRAIN AND STOCKS
Represented by NORRIS GRAIN CO. at
London, Liverpool, Chicago, New York, Toledo, Kansas City

EST. 1857
Grain Merchants
Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited

The Week in Mining

Is Market "Resting" Or Waiting for Mines?

Slowing Down at Present Apparent, Seen as Inevitable After Rapid Rise

Some of the zest which has sent the mining market soaring to new highs in the past few months appeared to be lacking in the week just passed. Mining brokers prefer to look on this condition as a breathing spell, a mere stabilizing of forces preparatory to the next move.

Others view this trend as the inevitable result of an overfed market. Without minimizing the tremendously bullish factors behind the recent market move, many sage observers have been of the opinion for some weeks that the market was, as has often been its wont, a little too enthusiastic about the potential results of these factors. In these moods of enthusiasm, the market is apt to look with favor on each and every proposition, sound or otherwise, listed or unlisted, as the answer to the speculator's prayer. In the past, each mood of wild enthusiasm has had its reaction, the reaction in some cases setting in over night, and with no immediate cause, except the inflated condition of the market.

In drawing attention to these facts during the past few weeks, The Financial Post has not minimized the fact that the mining industry today, apart altogether from the market, has sounder basis for hope than for a good many years. Unfortunately, however, the actual market at times leaps ahead of the industry. The industry does not, and cannot, artificially increase its pace to catch the market. The market has, sooner or later, to wait for the industry. Such a period has now apparently set in.

Inco Up Again

AS THE result of widely forecast record earnings for International Nickel Co. for the first 6 months of the year, this stock has again climbed upwards, and passed the $50 per share mark.

There can be little doubt that Inco's earnings in the first half of this year will be at a new high. Earnings for the first quarter amounted to 57 cents per share, highest quarterly earnings in the company's history, and comparing with 30 cents per share earned in the first quarter of 1935. On the basis of first quarter earnings, and continued increase in sales, market men are calling 6 months' earnings of around $1.10 per share for this unique concern.

A brief analysis of this much analysed company will be found in "Sorting the Mines."

* * *

How to Invest

IN AN interesting article appearing in a recent issue of Barron's, the U.S. financial weekly, G. M. Loeb suggests the skeleton for an investment programme for the business and professional man. While written primarily for the American investor, the article contains many suggestions of interest to Canadians.

Mr. Loeb suggests the primary purpose of security purchases today should be an attempt to hedge against a failure of American business to recuperate, and the possibility of a monetary inflation of large proportions.

For the businessman with a small surplus available for investment, (a large part of his assets being fixed), Mr. Loeb feels that particular emphasis should be placed on the purchase of foreign securities, chiefly those related to gold. He suggests that for the businessman at least 10% of his total assets should be so employed. He suggests another 10% in domestic securities, and 10% in cash reserves, leaving about 70% of one's wealth in fixed form.

It is in connection with the first 10% that the main interest for Canadians lies. As his objective is to protect against currency vagaries and business depressions, Mr. Loeb recommends an enterprise dealing primarily with gold, and secondly with foreign exchange, base metals, world commodities and world wide share markets. A London issue answering such a description is Union Corp.

* * *

Canadian Field

IN THE Canadian field, Mr. Loeb admits that the majority would select International Nickel. He is of the opinion, however, that "it is so patently good it costs a lot to buy," and "it definitely lacks the flexibility of dealing in every and any thing, such as is enjoyed by the finance company of the Union Corp. description."

The answer to the problem Mr. Loeb finds in Anglo-Huronian Ltd., substantiating to a large degree the opinion expressed in last week's Post. His reasons for so thinking coincide with those outlined in the latter article, and include the fact that Anglo-Huronian is a small company, owner-managed to a large degree, its primary activity gold and its trading facilities international.

All of which sounds on the surface as if Anglo-Huronian had a very good publicity agent, but the fact is that Anglo-Huronian is one of the least publicized operations on the Canadian mining exchanges.

* * *

Safe is Safe

CANADIAN banks are not slow in following the trail blazed by mining pioneers. Recently the Imperial Bank of Canada has opened up a new branch at Hooker's Landing on Pickle Lake, to serve the rapidly growing Patricia mining industry.

The new bank is housed in a one story log cabin. The opening of the new branch involved hauling a 2-ton steel safe 125 miles over bush trails. This task was in reality a race against the spring break-up, which fortunately was later than usual this year. The pioneer safe movers were faced with the possibility of having to load the strong box into a small boat for the latter part of the journey.

It is a tribute to the honesty of mining men that in all its history the Imperial Bank has never had a hold-up or a robbery in any of the scores of branches operated in mining camps and other pioneer bush communities. On occasions, there has been no safe of any kind, and the teller had to sleep with the money under his pillow.

Company Reports

Royalite Oil Co.

An article on another page with reference to the present situation and prospects of Royalite Oil Co. awakens interest in the fact that annual report for 1935 shows $1.06 a share earned on 697,547 no par value common shares as compared with $1.18 a share in 1934. The dividend in 1934 was $1.25 a share and in 1935 $1.25 a share regular dividend plus 25 cents a share bonus, or $1.50 a share in all.

It is interesting to note as a background to the amounts shown in the table given below as written off to depreciation and depletion that the company's fixed assets were shown at $5.7 millions at the end of 1935 after depreciation and depletion. The total of $5.4 millions shown for freehold and leasehold wells and amounts expended on wells was depleted by $1.8 million and buildings, plant and equipment of $4.3 millions were depreciated by $2.1 millions.

Current assets were $3.2 millions and current liabilities only $200,000.

Under these circumstances the dividend bonus may be considered a small return on capital. The company is well able to continue this bonus for some years especially if it is expected that earnings may increase somewhat.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Inc. from operations	1,489,190	......
Counsel & legal fees & salaries of exec. off.	36,174	......
Net operating income	1,453,016	1,615,150
Int. from invests.	112,774	92,915
Profit on sale of secs.	28,900	......
Directors' fees	500	500
Net earnings	1,594,190	1,707,565
Depreciation	478,621	475,267
Depletion	244,752	278,472
Income tax reserve	132,645	142,867
Net profit	738,172	810,959
Dividends	1,046,320	832,484
Deficit	*308,148	*21,525
	1935	1934
	$	$
Previous surplus	2,678,243	2,696,585
Adjustments	......	3,183
Adjusts. acquis. prior yrs. of props. of sub.	12,107	......
Adjust. inc. taxes, pr. years	8,071	......
Carried forward	2,361,024	2,678,243

Flin Flon Values

From Our Own Correspondent

WINNIPEG. — Flin Flon Gold Mining Syndicate drilling from the third level of the mine cut good ore at about the fourth level horizon. Values and widths were substantial. Further drilling is being done.

Plan No Change In Wayside Group

Recovery Is Low But in Excess of Expenditures

From Our Own Correspondent

VANCOUVER.—Reports heard in Toronto of reorganization of Wayside Consolidated, Bridge River property, are without foundation, according to Purvis E. Ritchie, managing director.

Mr. Ritchie says the present capital set-up will be continued and that no change is contemplated. It has been rumored that a split of one for 4 or 5 shares was planned.

The mill is now handling about 145 tons of ore daily. The heads are running low as a large proportion of the material being handled is development ore. But recoveries are more than offsetting expenditure, which has been low—only $3.18 for mining and milling in May.

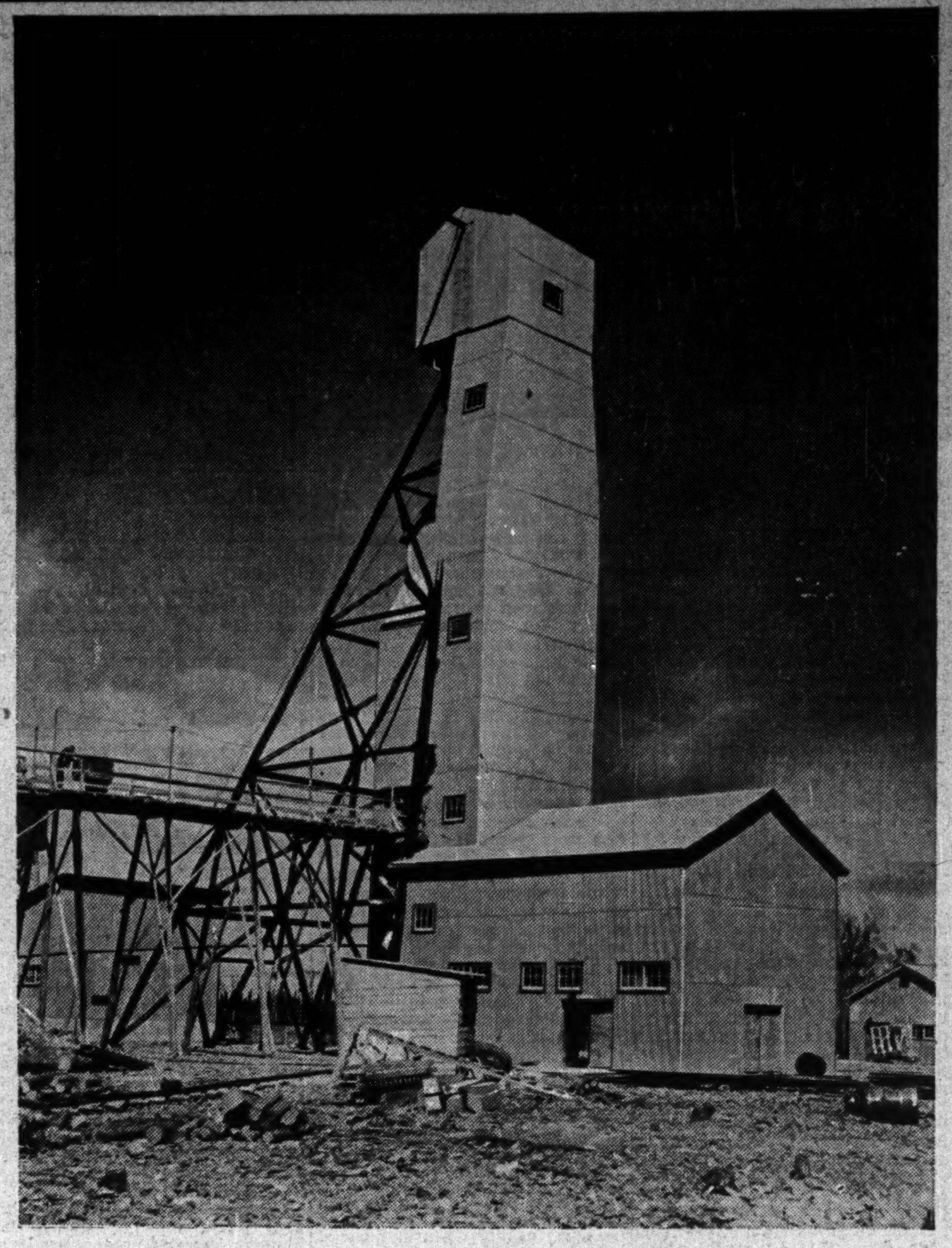
The winze is now down 300 ft. on the dip of the vein with about 30 vertical ft. more to go to reach No. 8 level, where station will be cut and drifts run north and south on the vein. Air connection has been made over a distance of 2,000 ft. and a crosscut is being run to cut the showing at depth of from 50 to 75 ft., which is believed to be below the horizon of oxidation.

Numaque Mining Co. Active in Abitibi

A new company, Numaque Mining Co., has been formed to develop the block No. 2 of the Nu Sigma Gold Syndicate's property in Abitibi county, Quebec. Head of the new company is Reginald Halladay, of New York, director and member of the executive committee of International Nickel Co. of Canada. Associated with them are E. Stuart McDougall, Louis Brochu, and Edward F. Seagram, vice-president of the Dominion Life Assurance Co.

Numaque has an authorized capitalization of 3 million shares, par value $1. Currently stock is being offered by W. C. Pitfield & Co. at 60 cents a share.

Golden Gate Mining Co.—Will drill from the 300-ft. level on its property in the Kirkland Lake area. At same time lateral development on the 100- and 200-ft. level is to be continued.



DOME'S YOUNG HOPEFUL

While not as yet giving evidence of being a precocious youngster, Dome's subsidiary operation, Sigma Mines, in Bourlamaque Twp., Que., is making normal healthy progress and results have been sufficiently encouraging to warrant the broad development programme at present being carried on, and to indicate that this young operation may yet be a mainstay if and when the big Porcupine producer reaches its dotage.

Drill Famine at Red Lake As Area Feels New Boom

By THOMAS C. THOMPSON

Ill-equipped, inexperienced, but feverish with the excitement of a gold rush, hordes of would-be prospectors descended on the Red Lake area of northwestern Ontario nearly 10 years ago.

Every section of the camp with even a slight semblance of gold bearing geology was indiscriminately staked. The rush was on the grand scale, but the resources of the amateur gold seekers were not. Many of them almost starved in the bush, others were half frozen before they made their way back to civilization months later, and the Red Lake rush ended in bitter disappointment for thousands of Canadians.

Of the swarms of gold seekers, only a handful returned the following year to continue prospecting and surface exploration. Claims were abandoned by those who were unable to finance a second trip, and Red Lake lapsed into relative obscurity.

But in the intervening years intensive exploration has been continued by new and old-time mining men and the large mining organizations with their field crews. In that interval, Howey and McKenzie Red Lake Gold Mines became producing gold mines, and the search for commercial ore bodies over an area of about 25 miles long and 8 to 10 miles wide produced results which, this year, will shatter the last remembrance of Red Lake as a 9-days' newspaper wonder of 1927.

Intensive Exploration

Red Lake this summer is being explored with a fine-toothed mining comb. From the McKenzie Island area on the east, through to the western end of the Pipestone section, activity is on a scale that has no counterpart in the past. Within 2 months a third producer should be milling Red Lake ore—Red Lake Gold Shore and no fewer than 6 other properties have definitely indicated productive possibilities at their current stage of development.

A dozen others, under intensive exploratory development, are showing promise of some day entering producing ranks, but meanwhile money and men are pouring into Red Lake to a degree that probably exceeds the fondest hopes of the pioneers of the district.

Cannot Get Drills

Encouraging as the situation appears, there is a serious problem. Diamond drills and diamond drill crews are at a premium.

Some Red Lake operators are making frantic efforts to buy, beg or borrow the men and equipment to continue exploration underground. Some are securing letters from the Toronto and Montreal offices of other mining companies, authorizing the loan or rental of the equipment "if it can be spared." And sometimes these requests, carried into the field, bring results. More often they do not.

But when and if drilling equipment can be brought into Red Lake in sufficient quantities to meet the season's demands, the results are likely to bring a new conception of the camp to the mind of the Canadian public.

The reason is that in addition to 7 properties definitely in the running for producer status this year or next, there are so many important surface finds it is improbable that underground exploration on these newer showings can be uniformly disappointing.

Red Lake properties are in variously advanced stages of development. Among the most prominent are:

Red Lake Gold Shore, Gold Eagle, Cole, Madsen Red Lake.
Couchenour-Willans, Red Crest
Frontier Red Lake.

Red Lake Gold Shore

Red Lake Gold Shore's new 250-ton mill is being constructed on schedule and will probably start operations at 125 tons daily around the middle of August. Ore in sight is reported at over 100,000 tons and values are understood to be high. Assured ore reserves at December 31, 1935 were placed at 45,150 tons with average grade of 0.663 oz. gold, or $1,050,000 with gold at $35 per oz. Subsequent development is believed to have materially improved the ore picture.

Red Lake Gold Shore is known to have secured particularly favorable results from development on the first and second levels, with ore bodies widening and grade improved. The company is financed to production and has about $425,000 cash in addition to 350,000 to 275,000 shares in the treasury.

It is the senior producer in the Red Lake area and in common with several other properties on which work is well advanced, its ore bodies have not only shown increasing widths as depth is attained, but improvement in values.

The property consists of about 1,150 acres in a single block, adjoining Howey Gold Mines on the west and the Red Lake property of McIntyre Porcupine on the north. Within 2 months it will commence production, largely as the result of highly experienced technical direction on the part of such men as Charles E. St. Paul, president and managing director, Ira E. Hough, Dr. R. W. Breuls, John W. Shaw and W. P. Mackle.

Rahill, Martin-McNeely

Pine Island, southeast of McKenzie and lying between that property and Red Lake Gold Shore, has drill crews at work, Rahill is another of the few fortunate companies that have been able to secure sufficient equipment and is now engaged in drilling to cut the extension of Gold Eagle's veins.

Skookum is still at work on surface trenching and test pitting and is at the stage where drills are required, while in the same area, Martin-McNeely has recently flown extra drilling equipment to the property and placed operations on a 24-hour basis. Mineralized quartz porphyry has been cut by Martin-McNeely's No. 1 drill.

In the Howey section, McManus is progressing with its surface work and will start drilling as soon as possible, if it has not already done so. As for the Howey itself, 4 to 5 years' ore is in sight on the basis of present operations, and the producer is showing no sign of slackening its production or earnings pace.

John E. Hammell interests are represented in Red Lake by operations on the Olsen claims, in the Falkenham section, where good results are reported from drilling on the optioned property.

Gold Eagle Values

Gold Eagle, adjoining the producing McKenzie Red Lake on the south is currently securing high ore values.

Gold Eagle has not announced plans for immediate mill construction but it is probable the mill will be designed in the autumn in preparation for production next year.

Couchenour-Willans

Moving westward from Gold Eagle, a traveller through Red Lake finds evidence of active exploratory development on the properties of South McKenzie Island and McAndrews, where trenching and test-pitting are under way. At Couchenour-Willans the shaft is dewatered and drilling is going on from various points on the workings running laterally to the 150-ft. shaft.

Nortricia, adjoining Couchenour on the northeast is being examined by geologists and sampling to date reveals encouraging surface indications.

In the southern end of the McKenzie section, at Madsen Red Lake, the shaft is down 300 ft. and high grade discoveries are reported from lateral development. On this property, at the Falkenham Lake region, results have proved sufficiently encouraging to warrant further shaft sinking to a new objective of 500 ft.

Northerly, is Richmac's property where surface crews are at work, trenching and test-pitting on ground similar to that in other sections of the area where gold values occur in quartz veins in the general granodiorite formation.

Paulore is Active

West of this area, toward the Pipestone section, Paulore is pushing surface work on two groups, pending the arrival of additional drilling equipment. Jack St. Paul, a director of Paulore, is in Toronto, arranging to secure additional drilling equipment and as soon as this arrives on the property underground exploration of the rich surface finds will commence.

Gold values are high on both Paulore groups, the break on the north group having been traced for 1,400 ft. with encouraging gold showings, while on the south group, where overburden is heavy, the main vein has been traced 300 ft. with average widths of over 30 ft. on surface. Paulore is well financed, with about $150,000 in the treasury and when drill equipment is complete, the property will be subjected to further intensive exploration underground.

Red Crest, adjoining Paulore on the west is under development by Hudson-Kirkland interests, with Harry Porteous in charge of operations. Rowan Hall, adjoining Red Crest, and Lake Rowan are also the scene of active surface work and here too, those in charge of operations are impatiently awaiting drilling equipment to extend the present programme.

Frontier Red Lake, among the fortunate companies possessing ample drilling equipment, has been drilling steadily for 3 months with results that are reported to be favorable.

Dupont-Hodgson

Dupont-Hodgson Syndicate, south of Frontier, now in process of company formation, is headed by Jack St. Paul, who is president and managing director of the new company. Financial position is such that development work can proceed uninterruptedly and 14 men are at present exploring on surface. A rich find has recently been made on the Dupont-Hodgson, about 300 ft. north of the original discovery and the new vein has been extended 1,180 ft. along the regular break.

May-Spiers Sinking

Crews are surface prospecting on West Red Lake, and near by on the May-Spiers shaft sinking is proceeding rapidly following the discovery of satisfactory gold values in the drilling campaign.

Middle Bay Mines, where Alex Gillies has a crew at work on surface, and Cole Mines, an enterprise of a more or less private character are other features of the Pipestone section development. Cole's shaft is down 500 feet and a large amount of lateral work on this property has revealed important productive possibilities, it is understood.

Red Lake is "booming," but not in the manner of 1927. It is, however, sadly in need of drills.

Fourth Mine in Michipicoten Plans to Mill

New Company to Acquire Hillside Gold Mines Property

SOON TO POUR

From Our Own Correspondent

SUDBURY.—Re-opening of the Hillside Mine, in the Michipicoten area, which is expected to take place in a few days, as soon as some additional equipment is received for the 25-ton mill, will give that district its fourth producer, and will bring into prominence the area along the south shore of Wawa Lake, where the Stanley mine is steadily moving to production. Hillside expects to pour its first brick around the middle of July.

Shareholders have approved a new financial set-up, under which a new company to be known as Hillside Mines Ltd. will take over the assets and liabilities of Hillside Gold Mines. Trustee for the company is Hon. W. H. Price, and Hon. Jas. Lyons is one of the new directors.

The new company will pay the outstanding debts amounting to about $25,000 within the next 30 days, and already, it is stated, this sum has been placed in the hands of the banks.

Hillside Mines will have a capital of 3.5 million shares, and old shareholders will receive one of the new shares for two of the old. It is planned to raise $250,000 for development work.

The property has been developed by 2 adits, one of these being projected a considerable distance and traverses a wide area returning low gold values. A smaller adit traversed a shear zone giving comparatively high values. The mine is served by power from the Great Lake power plant at Michipicoten.

Vanson Considering Stock Distribution

From Our Own Correspondent

WINNIPEG. — Vanson Manitoba Gold Mines directors are asking from their shareholders, through the mails, an answer to the question as to whether or not a portion of the company's Gold Lake stock holdings should be distributed. The suggestion from the board of directors is that one share of Gold Lake should be distributed for each 16 shares held of Vanson Manitoba.

The last financial statement issued by Vanson showed 572,966 shares issued for cash and 1,014,375 issued for assets acquired and services rendered. On the one for 16 basis, the holders of shares paid for by cash would receive 35,811 shares of Gold Lake worth approximately $17,900 and the holders of the stocks issued for assets and services would receive 63,398 shares of Gold Lake worth approximately $31,700.

It is quite possible some form of protective committee will be formed by the shareholders. The Vanson Gold Mines, predecessors to Vanson Manitoba Gold Mines, issued 100,000 shares out of 200,000 shares for the properties. Somewhere about 18,000 shares were sold for cash. The 100,000 shares issued for properties and assets were to be held in escrow "until such time as the company declared a dividend." The question that is now raised is "what proportion out of the distribution of Gold Lake shares will go to the original vendors of a property which has been turned down by engineers?"

If the distribution is made Vanson Manitoba would still retain in its treasury about 30,000 shares of Gold Lake and whatever balance of cash which would be left after paying court fees and costs of distribution.

Gurney Gold Mines Getting Good Widths

From Our Own Correspondent

WINNIPEG.—Vein at the 250-ft. level in Gurney Gold Mines is 18 ft. wide with an average gold content of .35 ounces, according to advices from the property. A crosscut on the 375-ft. level is apparently entering this vein at the lower level. These results were obtained at a point approximately 70 ft. from the No. 1 drill hole intersection where .34 ounces were secured over a horizontal width of 32 ft. No. 2 drill hole indicates 48 inches averaging .36 ounces so that a distance in excess of 170 ft. still remains to be drifted to the northeast to explore this favorable section.

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C. E. GREARSON	Secretary-Treasurer
H. C. LINK	Asst. Secretary-Treasurer

Consolidated Balance Sheet, April 30th, 1936

ASSETS

Capital Assets at Cost:			
Land and Buildings		$ 157,621.07	
Plant and Equipment		1,004,057.[illegible]	
Marine Equipment		880,820.39	
Furniture and Fixtures		13,267.18	
		$2,055,766.16	
Goodwill		1.00	
			$2,055,767.16
Investment in Partly Owned Subsidiary Company at Cost			14,000.00
Current and Working Assets:			
Cash in Bank and on Hand		$ 162,946.89	
Accounts Receivable (including amounts held back on completed contracts)		406,172.40	
Deposits on Contracts		2,525.00	
Investment in Uncompleted Contracts, at cost		103,570.65	
Inventories of Tools and Supplies at book values		16,546.54	
Investments in Dominion and Public Utility Bonds at cost (Quoted value April 30, 1936, $280,000.00) of which $151,000.00 par value are deposited under contract	$280,613.72		
Accrued Interest thereon	3,851.45		
		$ 284,465.17	
			976,226.65
Deferred Charges to Operations			7,925.02
			$3,053,918.83

LIABILTIES

Capital Stock:		
Authorized—150,000 Common Shares of No Par Value.		
Issued—84,600 Common Shares of No. Par Value		$ 710,000.00
Mortgages Payable 5%:		
Due November 1, 1940	$ 30,000.00	
Payable in semi-annual instalments of $12,500.00	87,500.00	
		117,500.00
Curent Liabilities:		
Accounts Payable and Accrued Liabilities	$ 229,089.99	
Provision for Government and Municipal Taxes	2,709.19	
		231,799.18
Reserve for Depreciation		947,293.06
Reserve Against Contracts		125,936.71
Reserve for Fire and Marine Insurance		35,998.27
Earned Surplus:		
As per statement attached		885,391.61
		$3,053,918.83

Approved on Behalf of the Board:

R. E. CHADWICK, Director.
E. R. DECARY, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of The Foundation Company of Canada Limited and its Wholly Owned Subsidiary Companies for the year ending April 30, 1936 (with the exception of Maritime Towing & Salvage Limited, the balance sheet of which has been certified by other Chartered Accountants), and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet at April 30, 1936, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of The Foundation Company of Canada Limited and its Wholly Owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies examined by us and the certified accounts above mentioned.

In accordance with Section 114 of the Companies' Act, 1934, we also report that the Company's proportion of the net profit for the year ending December 31, 1935, of the partly owned subsidiary company has been taken up in the above accounts only to the extent of dividends declared therefrom.

PRICE, WATERHOUSE & CO., Auditors.

Montreal, June 12, 1936.

Consolidated Statement of Profit and Loss and Earned Surplus April 30, 1936

Operating Profit for the year ending April 30, 1936, before taking into account the items shown below		$ 133,397.94
Add:		
Profit on sale of Capital Assets	$ 3,070.37	
Profit on sale of Investments	8,324.20	
Income from Investments	9,536.13	
Dividends from partly owned Subsidiary Company	4,081.06	
		25,011.76
		$ 158,409.70
Deduct:		
Interest on Mortgages	$ 3,847.68	
Executive Officers' Salaries	60,514.00	
Directors' Fees	4,240.00	
Legal Expenses	2,242.75	
Provision for Depreciation	89,582.36	
		160,426.79
Net Loss for the year ending April 30, 1936		$ 2,017.09
Earned Surplus, Balance April 30, 1935		887,408.70
Earned Surplus, Balance April 30, 1936		$ 885,391.61

MONTREAL
1538 Sherbrooke Street W.

TORONTO
57 Bloor Street W.

Royalite Oil Hopes to Earn Full Dividend

Conservation Measures Extend Life — Depreciation Reserve Adequate

WELL MANAGED

From Our Own Correspondent

CALGARY.—Royalite Oil Co., whose Royalite No. 1 has opened a crude oil field in Turner Valley, hopes eventually to show earnings equal to, or exceeding, the dividend of $1.50 a share. The company is now paying more in dividends than it shows as earnings after depreciation. It is able to do this because of having paid modest dividends in the past.

Depreciation charges are 10% of plant annually, and although this reserve is necessary for renewals it is regarded as conservative accounting.

Gas Storage

The company has an asset in the form of unused gas that is being pumped into the depleted Bow Island field for storage. The gas is pumped into the old field under high pressure and will eventually be used by Canadian Western Natural Gas Light, Heat & Power Co. Although the gas is stored for the gas firm and belongs to it, payment is not made until it is actually used.

The storage of gas in this manner has been done elsewhere, but nowhere else on so large a scale. By this method, gas is conserved that would otherwise be wasted by burning in the flares that are characteristic features of Turner Valley.

Conservation Plans

In the event that stricter conservation measures are adopted by the Alberta government—in connection with production of oil and waste of the remaining gas—Royalite will remain in a stable position. It holds the franchise to supply gas for the distributing utilities in Alberta, so that the elimination of waste of gas would not reduce the company's revenue from this source.

Greater conservation of the wet gas of Turner Valley from which naphtha is extracted is being urged by Hon. C. C. Ross, Minister of Lands and Mines. The aim of this campaign is to cultivate public opinion in favor of conservation.

Reasons for Speeches

There are reasons, of course, why it should be considered necessary to propagandize for conservation of gas rather than see hundreds of millions of cubic feet burning in the famous Turner Valley flares. One reason is that there has been widespread speculation in penny oil shares and holders would see their companies with reduced income if waste of gas, necessary to extract naphtha, were stopped. There is also an underlying feeling that Royalite would suffer less than others because of its right to sell natural gas to the public utility companies.

There appears to be little doubt that some stricter conservation regulations will be adopted by the government. Premier Aberhart has recently joined Mr. Ross in the conservation speeches, indicating that the mines minister is not a voice crying in the wilderness. It would be venturesome, however, to predict exactly what policy the government will follow.

While the effect of stricter conservation would be to reduce revenue of many smaller oil producers, it would give them longer life. The recent Ross campaign appears to have had some influence on public opinion.

For further figures on Royalite Co. operations see **page 14.**

At the Mines

Bruce Consolidated Gold Mines—A crew is now on this property in the Rice Lake area, Manitoba, completing preparations for diamond drilling.

* * *

Flin Flon Gold Mining Syndicate Ltd.—Exploration of this property at Douglas Lake, Saskatchewan, will be confined during the coming weeks to drilling a parallel mineralized zone recently discovered and to test the ore below the third level. To date some 2,700 ft. of drifting has been completed along the ore zone on three levels, The Post is informed, with the result that ore outlined and indicated totals approximately 45,000 tons carrying $12 gold to the ton.

* * *

Shawkey Gold Mining Co.—With the consent of the Toronto Stock Exchange, 500,000 shares of Shawkey, a portion of the 1.5 million shares which were pooled in order to comply with listing regulations of the exchange, were released from pool June 15. The shares which are held for the accounts of the shareholders in the old company, Shawkey Gold Mines, will be released in full.

* * *

Wood Cadillac Mines — Directors announce development work will resume on the property of this company in the Cadillac district of Quebec between O'Brien Gold Mines and Pandora Cadillac Mines. The company claims to have sufficient funds to carry out this programme. Julius Cohen has been appointed engineer.

* * *

Wood-Porcupine Syndicate—Drilling on the Night Hawk Lake property of this company revealed traces of free gold at 130 ft. in the first hole, according to officials. Surface work and drilling is continuing.

Nordarm Long Lac Finishing Survey

Formed to take over the Ballantyne property adjoining Little Long Lac Gold Mines on the north, Nordarm Long Lac Gold Mines, controlled by Northern Canada Mining Corp. is concluding a geophysical survey of the property, and on completion of a report by Hans Lundberg, further plans for developing the property will be considered.

Northern Canada Mining at the present time has an engineer in the Kenora district looking over several properties with a view to acquiring and providing funds for development.

Mining Enquiries

Matachewan Consol.

I bought, some time ago, some stock in Matachewan Gold Mines. Is the company nearing production?

By "Matachewan Gold Mines" we presume you refer to Matachewan Consolidated Mines Limited, which is already in production, the 100-ton having started operations in November, 1934. The milling rate has been gradually stepped up until during the last half of last year it attained an average of 145 tons per day. Total ore reserves as at December 31, 1935, were estimated at 125,965 tons, having a grade of 0.228 oz. gold per ton. This estimate does not include any found on the 260-ft. level.

This company is a subsidiary of Ventures Limited, widespread holding, investment and exploration company. The property has given a good account of itself and has been in steady production. As at December 31, 1935, current assets without including inventory of supplies amounting to $33,980, totalled $41,911 as against current liabilities of $20,836, leaving a working capital of $20,075. This is a distinct improvement over the previous year. Briefly, while this company does not look like a large-scale producer, it has demonstrated that it can operate on a profit with the ore it has.

Arno Mines

I have found some stock of Arno Mines in my late father's possessions. What is the present position of the company?

Arno Mines operates as a holding and development company with its chief property interests at the present time being a half interest on a property adjoining McWatters Mine in the Rouyn district of Quebec. Arno is in this proposition on a 50-50 basis with Clericy Consolidated. If the property proves it has merit, a new company will be formed, Arno and Clericy sharing jointly in control. The record of Arno has not been conducive to confidence. The company has been active in many areas, including the Great Bear Lake district. The cash position of the company is small and the stock, at one time listed on the mining section of the Toronto exchange, was withdrawn from trading in 1934 by the exchange committee.

Peerless Gold Syndicate

I have some units in Peerless Gold Syndicate, but have heard nothing of it for some time, and do not see it referred to in your very valuable paper. Could you supply me with some information?

Peerless Gold Syndicate is virtually a holding syndicate, having in its treasury one million shares of Sturgeon Bridge Gold Mines and one million shares of Sturgeon Reserve Island Gold Mines. Officials of the Syndicate have informed us that plans are under way to convert it into a limited company. While nothing definite has been arranged, we understand that unitholders in Peerless will get in the neighborhood of 100 shares in the proposed new company for each unit held.

There is no market as far as we can ascertain for the Peerless Syndicate units at the present time. However, both Sturgeon Bridge and Sturgeon Reserve have several properties scattered throughout Ontario and Quebec. Sturgeon Bridge owns a gold prospect near Falconbridge Nickel Co. in the Sudbury area just outside the nickel basin. The company also has a property in the Long Lac area. Officials inform us that work is going ahead on both these groups.

Sturgeon Reserve Island has 11 different claims in the Port Arthur, Little Long Lac, Sudbury, Matachewan, West River, Michipicoten, Swayze, Red Lake and Ramore areas. Most of these properties are undeveloped prospects.

When the proposed new company is formed to take over the Peerless Gold assets, it is understood that they will not be distributed to shareholders but will be retained in the treasury.

Shawkey Gold

What is your opinion of Shawkey Gold as a sound speculation? I have been watching this stock for some time and am tempted to buy some.

Shawkey Gold Mining Co. owns a producing gold mine in Dubuisson Township, Quebec. The mill went into operation in February of this year, and the stock is now listed on the mining section of the Toronto Stock Exchange. Monthly production is now expected to average between $35,000 and $40,000.

This property appears to be in fairly good shape, the most recent estimate of ore reserves placing these at 81,050 tons. The grade runs between $11 and $12 per ton. Since this estimate was made, work on the fifth level has encountered promising ore which will probably increase the above tonnage figure. The company's management is sound, and the proposition appears to be a fair enough speculation at the present time.

The company has an authorized capitalization of $3.5 millions in $1 par value stock. Of this amount, 3.4 million shares have been issued.

Harker Gold

I would like a brief analysis of Harker Gold. Where is its property?

The chief interest in Harker Gold Mines is its investments. These consist of substantial holdings in Pickle Crow Gold Mines, Val D'Or Mineral Holdings Limited and Greene Stabell Mines. The company's actual property, a gold prospect in Harker Township, Lightning River district of Ontario, is inactive, developments having failed to disclose ore of importance.

The company is under the management of John E. Hammell, a mining man who has had considerable success in the past. As at December, 1935, the company had $7,000 in cash, a loan of $50,000, some 250,000 shares of Greene Stabell and 37,000 shares of Pickle Crow stock. The company has an authorized capitalization of $5 millions in $1 par value stock, of which $4 millions is outstanding. In 1929, Mr. Hammell donated one million shares to the treasury, which were offered to the public at 5 cents a share.

Reno Gold Mines

What is your present opinion of Reno? Does the stock impress you as having value?

Reno Gold Mines, the Nelson, B.C., producer, has had a very successful year, with the result that much of the speculative element which a few months ago surrounded this stock has passed out of the picture. Recently the company reported that after all charges, including dividend and taxes a cash surplus of about $100,000 had been attained as compared with about $50,000 last June. Simultaneously, ore reserves have been increased, and it is understood that at the present rate of milling of about 3,000 tons per month, ore sufficient to last the mill between 1½ and 2 years is available.

The company is now on a regular dividend basis paying 12 cents a share annually. In the year ended June 30, 1935, production amounted to $700,509. Production for the current year will, of course, be greatly in excess of this figure. The company has increased its recovery per ton and reduced cost.

All in all, although the ore reserve margin of 1½ to 2 years' supply is not as large as with most major producers, Reno has the ear marks of a profitable, comparatively small producing mine.

Norlake Mining

Would you be good enough to give me some information on Norlake Mining Corp? What irons has it in the fire and what is the company doing about them?

Norlake Mining Corp. has centred its interests on some claims in the Chibougamau district of Quebec. Recently, as announced in The Financial Post, American Smelting and Refining Corp. of New York became interested and have entered into an agreement to work this property. Both American Smelting and Refining Corporation and Norlake will have an interest in the property with American Smelters having virtual control. If mining indicates that the property has merit, it is planned to form a new company under this arrangement. In addition, Norlake has a property at Lake Bourbeau in Quebec which will be worked independently. This stock is a speculation but has a certain amount of attraction.

Albany River

I hold some Albany River Mines stock and would like some details on development.

Albany River Mines recently started a three-compartment shaft on its property in the Patricia district of Ontario. Levels will be established at 125 and 250 ft. Three main showings on the property are within 50 ft. of each other, and the proposition, as an out-and-out speculation, is not without its appeal. Approximately $63,000 has been spent to date and some $97,000 remains on hand for the present programme. Additional funds are reported to be available. The company has an authorized capitalization of $3 millions in $1 par value stock, of which approximately $1.8 million are outstanding.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.

International Nickel Co.

International Nickel Co. of Canada has been, and probably will continue to be, one of the most popular stocks on Canadian and New York exchanges.

The company has patent advantages. In the first place, Inco has a practical monopoly on the world nickel markets, and has had enough sense not to abuse it. It can be, however, assured of a stable price level for its chief commodity, which has sold at around 35 cents per pound for a number of years. Its deposit at Sudbury, while by no means the only nickel deposit in the world (this metal being one of the most common) is one of the biggest and richest deposits in the world. In the second place, Nickel is both an industrial and a mining stock, and combines many of the advantages of both groups. Thirdly, nickel is now in widespread demand for industrial uses, and is also essential in times of war, so that the stock represents more or less of a hedge against peace and war. Because of this fact, nickel is a sort of international money, a currency with a very practical basis.

Another advantage centres on the capable management which this company has.

Too Popular?

For all these reasons, International Nickel is a very popular stock, and these very advantages, being, as they are, so obvious, make nickel stock at times a doubtful buy. It has been seen, as recently as a few months ago, that the market is inclined at times to get far higher than yield, and possibility of capital appreciation, would warrant. At times, even Nickel, however, drops to the point of being an attractive buy. It is purely a matter of opinion, but in the judgment of many, when International Nickel, under present circumstances, gets toward the $50 per share mark, it is overpriced.

One frequently hears reports that a nickel deposit has been found in such and such a place which will rival the Sudbury deposits, and give Inco some real competition. Anyone familiar with the policy of the company, however, would be inclined to discount such reports as the company's engineers are continually investigating nickel deposits in all parts of the world, and the odds are that if such a rival deposit were known, Inco would know of it, and take steps to bring it into the Inco fold. This does not mean that a company, now operating or developing a nickel deposit, has no chance of making a commercial success of it. Falconbridge is a case in point.

But none of these companies appears, at present, to offer any threat of real competition to Inco.

Copper Rise Important

Copper ranks next to nickel in the company's production. Indications are that copper is slowly improving from its long slump, and will become, in time, an even greater source of revenue. Precious metals such as gold, silver and platinum are also far from negligible sources of revenue.

At present prices, the yield on International Nickel stock is about 2.4% which appears low. However, as has been pointed out, the security is undoubtedly good, and it is from this approach that Nickel stock looks most attractive.

As regards the current year, there is little doubt but that earnings will be at a new high. However, the company recently embarked on an expansion programme, both at Copper Cliff and at Port Colborne which, while ultimately enhancing the earnings power, will probably absorb a large part of these higher earnings.

Price Range of Stock

	High	Low	Last
1935			
Common	47.75	22.25	45.50
1936			
Common	54.00	43.50	50.00

Island Mountain

Island Mountain Mines Co., a subsidiary of Newmont Mining Corp., owns two groups of gold claims, one of which is producing, on Island Mountain and Proserpine Mountain in the Barkerville area of British Columbia.

A week or so ago, the company declared its first dividend of 5 cents per share, payable July 31, to shareholders of record July 15. This dividend marks the culmination of a particularly successful first year under the direction of the well-financed Newmont Corp.

The mill, with a present capacity of 110 tons daily, first started operations in November, 1934, and in the first year of operation, earned a net profit of 10.5 cents per share, which is a good record.

During the year ended Dec. 31, 1935, ore reserves increased to 43,381 tons, with an average grade of about 0.55 ounces per ton. At 110 tons per day, this would be the equivalent of about a year and a quarter's supply.

This is not a particularly large margin, and it should also be realized that some of the first year's earnings results are probably due to the high grade sulphide ore found in development, and which has not been discovered in any quantity since the mill started.

Before it becomes what might be termed an established producer, Island Mountain will have to widen its margin of ore reserves. In the meantime, it is a speculation in good hands. The authorized capitalization is low, at 1.1 million shares, par value 50 cents. Of this amount, 1,050,716 shares are outstanding. Working capital as at Dec. 31, 1935, stood at $37,087. The stock is listed in Vancouver.

Price Range of Stock

	High	Low	Last
1935			
Common	1.07	.68	.90
1936			
Common	1.82	.95	1.62

J. M. Consolidated

J. M. Consolidated Gold Mines is well advanced with construction of a 100-ton mill on its property in the Patricia district of Ontario. It is expected the mill will be in production early in July.

Some time ago, ore blocked out was estimated at 45,000 tons, with an average grade of about $13.50 per ton, not including the north workings. Work since the first of the year has probably increased this estimate, although nothing official has been made public.

The property is a fairly old one, and was formerly operated by Jackson-Manion Mines and Mint-Ore Mines. Since last December, the operation has been financed by Kirkland Hudson Bay Gold Mines Ltd.

Until the new mill gets into steady operation, little else can be said about this property, which is apparently to get its first chance at showing its capabilities as a producer.

Price Range of Stock

	High	Low	Last
1935			
Common	.34	.09½	.34
1936			
Common	.70	.35½	.61

Rahill Red Lake Mining Co.—Has started drilling on its property adjoining Gold Eagle Gold Mines in the Red Lake district. Objective is to test continuation at depth of mineralization located by earlier surface work.

Drills Start At Lebel Oro

Seek Bidgood Ore Extension from Shaft's Bottom

Lebel Oro Mines has completed dewatering the shaft at its Kirkland Lake property adjoining Bidgood Kirkland, The Financial Post is officially informed. Drilling has started from the bottom of the shaft in an attempt to intersect the extension of the Bidgood break into the Lebel property. The first hole is in over 200 ft.

At the company's Sudbury property, the new shaft is practically completed, and the old shaft dewatered to the third level, on its way to the fourth. The company plans a deep drill campaign from the fourth level.

New Queen's Head Sees Mining Vital to Canada

Pointing out that much of Canada's difficulty at the present time lay in lack of diversity of economic interest and occupation, Dr. R. C. Wallace, retiring president of the University of Alberta, and recently appointed principal of Queen's University, in addressing the Canadian Investment Dealer's Association at Jasper Park, suggested that the mining industry will be an increasingly powerful force in remedying this condition.

Dr. Wallace used the Canadian West as an example. The fate of the Prairie Provinces after European countries decided that for their own safety against aggression they would grow their own wheat, is well known. This has shown, said Dr. Wallace, that in a predominatingly agricultural area, it is of first importance that industrial enterprises should find a threshold. Mining was now doing this.

Can't Estimate Expenditures

Much capital has to be risked to make a mine, Dr. Wallace told the Investment Dealers. More than $20 millions was needed to establish Flin Flon. The sinking of a single well in Turner Valley has cost, on an average, almost $100,000. If it were possible to estimate the expenditures which have been made, it may well be that they would be found to be considerably greater than the returns, which have not yet been obtained, and that mainly because of not obtaining expert judgment in advance. Dr. Wallace thought that despite this discrepancy, the mining industry in Canada had more than justified itself in the way of opening up new areas and new sources of forest and mineral wealth; in new sources of power, used in turn for other than mining operations; in the creation of new and stimulating interests in communities which have been accustomed to concern themselves solely with agriculture, and in providing incentive to the young men of pioneering ancestry to train themselves to perform this pioneering task. Mining has already done much to round out Canada's economic life, and it would do more in the future, Dr. Wallace thought.

Budget For Depressions

In the investment field, Dr. Wallace made two suggestions. A really sound policy, he stated, was to budget for surpluses in the good years, and to husband these surpluses in order to use them in the difficult years. This was made difficult due to the fact that governments were responsible to the electorate, which may not yet be educated to the fact that times of difficulty will come again. The second suggestion was that in the questions of loans, money obtained for long terms, should bear interest rates varying with the index of commodity prices, which in the Canadian West would be represented almost exactly by the price of wheat. For years it has not been unusual in the West to rent a farm on the basis of a fixed percentage of the value of the crop, that value fluctuating not only with the yield but with the price of wheat. This same principle, Dr. Wallace believes, could be applied to loans of 20 or 30 years duration, during which drastic changes in conditions would be inevitable.

Norgold Drills For Structure

Report Finances Obtained for Work on Shaft

Norgold Mines, which owns 30 claims in Bousquet Township, Quebec, reports arrangements have been made for the immediate starting of drilling operations on block A, to give structural geological information between Lake Bousquet and the zone which has already been partly explored. At a later date, diamond drilling on blocks B, C and D will be carried out.

To finance the drilling, a contract has been executed, involving the sale of 100,000 shares of the capital stock of this company, and optioning 1.4 million shares. As soon as sufficient money is received from this option, shaft sinking operations will be initiated, and in the meantime preparations for this work are now being made.

Current Chatter From Manitoba

From Our Own Correspondent

Winnipeg—A road from Cranberry Portage to the properties of Gurney Gold and Optic Lake is among the projected mining roads to be undertaken during this year. The road would be only about three and a half miles in length to reach both properties and would leave the Sherridon-Cranberry line at mile 12.

* * *

Jowsey on Packsack Board

R. J. Jowsey has joined the board of Packsack Mines. He is at present visiting God's Lake and Jowsey Island Gold Mines and following his return to Winnipeg, will inspect Packsack before returning east.

* * *

Sherritt-Gordon Active

One hundred and ten men are on the payroll at Sherritt-Gordon Mines at present, according to Eldon Brown, who in addition to managing God's Lake Gold Mines, is also supervising the work being done at Sherritt-Gordon prior to resumption of operations. The number, however, will be somewhat reduced from now on until the mine actualy goes into operation, which may be late in the fall, depending upon when the company can obtain necessary power from Hudson Bay Mining and Smelting.

* * *

San Antonio's New Ore

Important finds are reported on the 1,050-ft. level of San Antonio in the Rice Lake area and Flin Flon Gold Mining Syndicate, the latter on the fourth level. Both as yet lack definite confirmation, but are believed to be correct.

* * *

Drilling Rice Lake

Drilling which started recently at Rice Lake Gold Mines, has already justified itself, it is reported here. A hole put down in approximately the same position as shallower drilling done some time ago and which only cut stringers of quartz, has been continued to greater depth and has cut an ore zone which gives good ore indications. A width of 18 feet is said to give values around $5.

* * *

Wingold to be Surveyed

Due to the finding by deep diamond drilling of high grade ore on the property of Bissett Gold Mines, Drs. J. F. Wright and W. L. C. Greer are now conducting a geological survey of the Wingold properties. The connection between the two is that Bissett Gold Mines adjoins San Antonio on the north and west and Wingold on the north and partly on the east. The ore zone in which San Antonio has found its best lenses, it is now believed definitely extends both east and west of the San Antonio ground. Hence the renewed activity and the letting of a further drilling contract by Wingold covering about 10,000 ft. additional drilling.

Sladen Malartic Mines—As of June 11, the shaft had reached a depth of 225 ft. on this Quebec property, and crosscutting north of the ore zone is now under way, Andrew Malz, engineer in charge reports. Surface exploration and prospecting south of the shaft has disclosed a parallel vein indicated for a width of from 8 to 10 ft. showing the typical mineralization of this district.

Warns Brokers Against Crooks

The Toronto Better Business Bureau states in a current bulletin that the effectiveness of regulations of the Securities and Exchange Commission of Washington has caused the migration of many stock manipulators and high pressure salesmen to other fields.

Some of these have selected Canadian financial centres. The Bureau warns brokerage firms generally that trading accounts are necessary to the successful operation of such people. Brokers are warned lest they unsuspectingly lend the prestige of their firms to such operations and they are asked to communicate immediately with the Bureau in any case about which they have the least suspicion.

Widow of Stanley Siscoe Gets $12,500 Damages

From Our Own Correspondent

MONTREAL.—Mrs. Stanley Siscoe, Montreal, has been awarded $12,500 in her suit in the Amos, P.Q., courts claiming damages of $150,000 against Canadian Airways Ltd., alleging the pilot of the plane in which her husband flew into the north country more than a year ago, could have saved Siscoe's life. The mining man was found frozen to death March, 1935. Each of the 2 children of Mr. Siscoe was awarded $5,000, and the widow $2,500.

Siscoe, president of Stanley Siscoe Gold Mines Ltd. and of Siscoe Gold Mines Ltd., was a leading figure in Quebec mining circles.

Following the verdict, Aime Geoffrion, counsel for Canadian Airways, made a motion to set aside the verdict, and Mr. Justice Lucien Cannon, before dismissing the jury, said he would take the petition under consideration.

Miller Bay Gold Mines Will Drill Old Timer

From Our Own Correspondent

SUDBURY.—Another old-timer in the West River area is coming in for renewed exploration, a diamond drilling programme having been inaugurated at Miller Bay Gold Mines, adjoining Bousquet Gold Mines. The current campaign is being sponsored by George B. Webster, of Toronto, who has been prominent in the financing of Bousquet.

The Miller Bay was worked about 20 years ago. The claims, approximating 540 acres, were trenched and stripped for about 2,700 ft., a vein of mineralization varying from 6 to 12 ft. being disclosed. A shaft was sunk to the depth of 71 ft.

Recent work disclosed a strong looking vein carrying values, east and west of the shaft, and the drills will explore the showing at shallow depths. The operations are under the auspices of Bousquet Gold Mines and are being supervised by J. E. Jerome, manager.

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List Additional Stock Of Moneta Porcupine

An additional 1 million shares of Moneta Porcupine Mines stock has been listed on the mining section of The Toronto Stock Exchange, trading having started June 16. The original 2 million shares were listed in 1911, the original authorized capitalization of 2 million shares having been increased to 3 millions in 1925. Par value is $1.

With 999,995 shares issued for properties, and 996,105 for cash, the company reports 1,003,900 shares remaining in the treasury.

Exclusive of its 930,150 share interest in Straw Lake Beach Gold Mines, Moneta, as at March 31, 1936, shows current assets of $143,209, comprising $27,059 cash; bonds, having a market value of $73,994, at cost of $64,025; stocks, with a market value of $70,041, at a book value of $51,684.

For the year ended March 31, 1936, expenditures totalled $7,412, against income of $4,630, leaving net operating loss of $2,782.

Parkhill Gold Mines Recovery $20,600 in May

From Our Own Correspondent

MONTREAL.—Parkhill Gold Mines report a gross recovery of $20,600 from 1,628 tons milled during May last. The company further reports an excellent grade of ore is being milled from stopes on levels 9, 10 and 11, recovery for the first 15 days of June being estimated at $23,000.

For the 8 months of the current fiscal year ended May 31, the company has milled 14,266 tons, from which the total recovery has been $206,063, or an average of $14.44 a ton.

Mineral Estates Operates Five Surface Crew Units

Mineral Estates Ltd. reports over the signature of Douglas Banks, president, that 5 complete surface exploration crews are engaged in the company's extensive property west of the producing section of the Porcupine camp. Surface work on the areas is reported to be encouraging, although the progress report gives no systematic assay result apart from the fact that 2 channel samples over 12 ft. width assayed $35.70 and $34.35 per ton respectively. Drilling has been concentrated on the easterly portion of Godfrey Township, where many difficulties have been encountered, due to heavy overburden. These difficulties have now been overcome, and drilling is under way.

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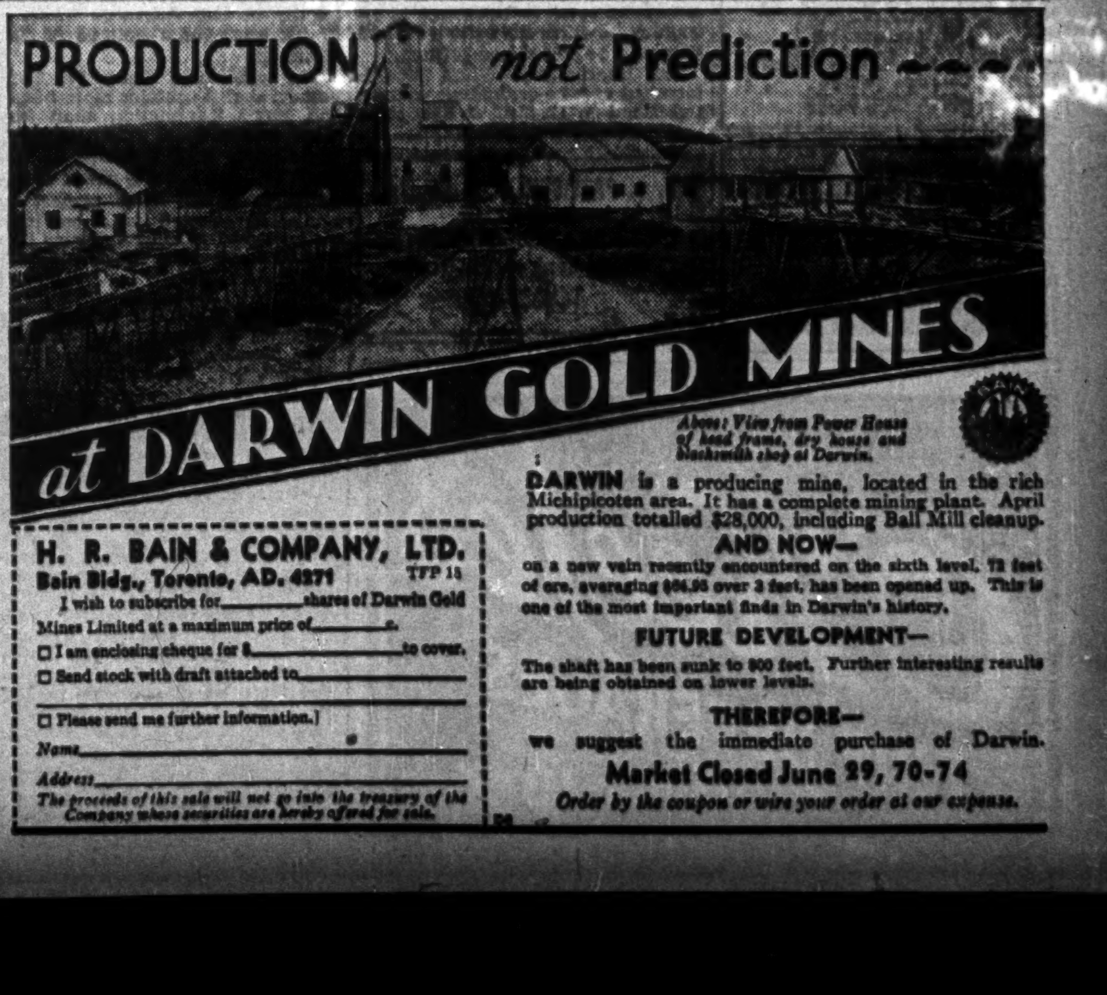

Above: View from Power House of head frame, dry house and blacksmith shop at Darwin.

DARWIN is a producing mine, located in the rich Michipicoten area. It has a complete mining plant. April production totalled $28,000, including Ball Mill cleanup.

AND NOW—
on a new vein recently encountered on the sixth level, 72 feet of ore, averaging $64.95 over 3 feet, has been opened up. This is one of the most important finds in Darwin's history.

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"Your Money" by Sir Norman Angell

Plain Truths on Money and Credit Written in Plain Language

This is the fourteenth of a series of articles on the working of money and credit by Sir Norman Angell.

How Can Money Be Controlled?

By SIR NORMAN ANGELL

That banking and monetary policy can do a great deal in stabilizing prices so as to "iron out" the fluctuations of what is known as the business cycle, is now generally admitted; that those policies can play an important part in preventing depressions and in hastening recovery from them if they occur, is also generally believed. Indeed Sweden with little more than half the population of Canada, and with nothing like the latter's resources, has recently used the technical knowledge of her very eminent economists so to combine banking, monetary, credit, budgetary, tariff, commercial, and wage policies as to make a recovery from the depression which has astonished the world.*

SIR NORMAN ANGELL

The point, however, is that there is no single magical "Plan" which will abolish poverty and give everybody a large income by purely monetary devices. The Swedish experiments, applied with great boldness and the taking of a good many risks, by a moderately Socialist government, represented a combination of counsels and policies not only financial and monetary but economic and commercial as well. And even at that the Swedes themselves are not at all agreed whether these policies had really anything much to do with the country's recovery; whether it would not have taken place in any case as the result of a lucky combination of circumstances by which Sweden benefitted.

Control Not All-sufficient

The truth is that the monetary factor is important; indeed its proper control is indispensable to prosperity; but it is not all-sufficient. Messrs. Foster and Catchings, summing up their analysis of economic life under the profit system, declare that:

> "Society must devise methods for controlling the volume of money in its economic interests. The question at issue is not whether it is best to have a 'managed currency,' since every currency is necessarily a 'managed currency'; the sole question is whether currency shall be managed intelligently."

What is the machinery that might be employed?

First we must have some standard of measurement of wealth if the unit of measurement is no longer to be a certain weight of gold. (And we cannot make it that and that alone if we are to control money, since our unit would immediately become dependent upon a factor outside our control—quantity of gold.)

Our standard must be index numbers, or, for short, indexes.

An index is a figure which shows the average percentage change in the prices of a number of representative goods from one point of time to another.

The working is described by Professor Irving Fisher thus: Suppose we start with a dollar's worth of goods in 1913, a market basket containing all sorts of representative goods—bread, butter, eggs, milk, cloth and so on—in the proportions in which they were traded in, and such that the whole assortment could be bought in 1913 for $1.

Then let us suppose that, while the 1913 dollar would buy that market basketful, the dollar of 1919 would buy only half of it. That is, the price of that basket in 1919 was $2 instead of $1; the goods in the basket, taken all together, had doubled in price. It follows, according to these figures, that the 1919 index number of commodity prices is twice the 1913 level; that is, it is 200, if we take 100 as the price level of 1913.

This statement does not, of course, mean that every one of the goods had doubled in price. Some kinds of goods had more than doubled in price and some had less than doubled; a few had even fallen.

Increase of Recent Memory

Such a doubling of prices, on the average, did actually occur between 1913 and 1919. We can express it in either of two ways. We may say that the price index, or price of the assortment of goods in the imaginary basket, was doubled, or we may say that the dollar was worth half as much.

Today the dollar will buy about two-thirds of the market basket which it would in 1913.

There are mainly two ways in which central banks can influence the quantity of money available, and by that means influence the price level: by raising or lowering the bank rate—the rate at which commercial promises to pay will be discounted, and so stiffening or easing the conditions upon which credit will be granted; and there is what is known as the "open market" policy, by which banks sell, or buy, securities in the open market. All these devices influence the amount of money in circulation, the amount of credit.

The efficacy of open market operations in controlling the supply of money has been recently explained by Rt. Hon. Reginald McKenna, thus:

> "Stated in the briefest terms, the proposition is that every central bank purchase and every loan by a central bank increase the cash resources of the other banks and provide a basis for an expansion in the volume of credit, or, in other words, of money; while every sale by a central bank or repayment of a central bank loan reduces bank cash and restricts the supply of money. This proposition holds true whatever the central bank may purchase, whether it buys or disposes of gold, bills, securities, or any other asset. From this it follows that central banks possess the power to regulate the supply of money."

The late Governor Strong (of the Federal Reserve Board) himself proposed an amendment to the legislation regulating the board so as to read that its functions should be to "establish from time to time . . . a minimum rate of discount, which shall be made with a view to promoting a stable price level for commodities in general."

Not of Single Mind on Regulation

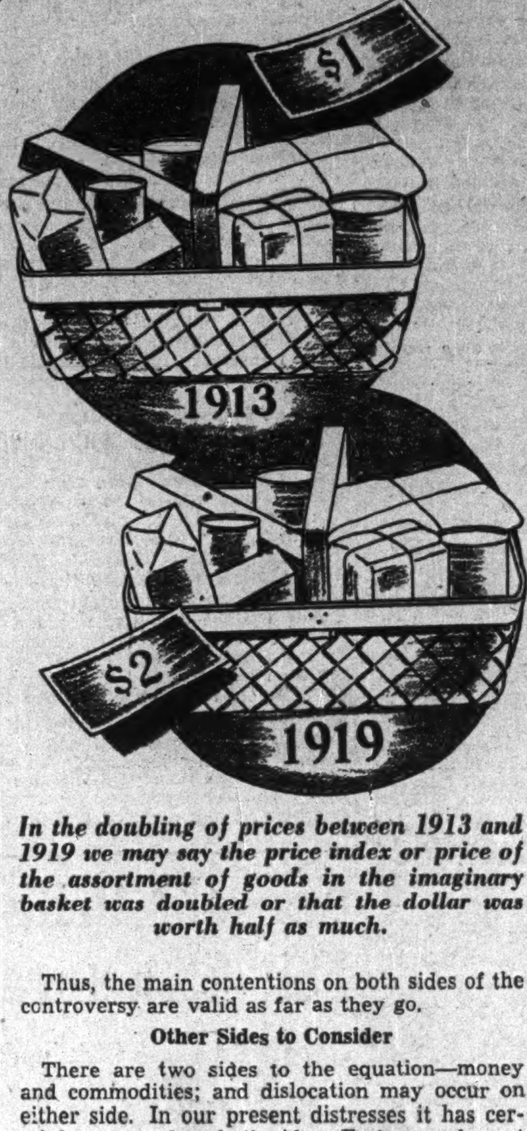
This is in keeping with the view of authorities like Mr. Hawtrey, of the British Treasury, who insist that currency is essentially dependent on credit, and who seem to argue that the necessary sequence is "cheaper credit—more money; more money—higher prices." Others, however, have taken the view that regulation is best made by controlling direct the issue of currency and would, as Mr. Hodson puts it, invert the sequence into "more money—higher prices; higher prices—more credit."

Some, moreover, question whether even if the quantity of money and credit be regulated, the price level can thereby be stabilized, believing that in normal circumstances commodity movements have greater significance than money. Such plans as Fisher's, Keynes's, Snyder's, Hawtrey's, Cassel's, Wicksell's, all rest more or less on the Quantity Theory of Money (which it may be recalled assumes that "other things remaining constant, the level of prices varies directly with the volume of the means of exchange," and which is sometimes questioned, not so much on the ground of its inherent illogicality, as on the argument that other things neither will nor can remain constant).

While all agree that relative stabilization is feasible, bankers usually (but by no means unanimously) insist that a stable price level is not their business; that theirs is "the safe custody of their depositors' money," to be lent only to those borrowers who are "credit-worthy." And they proceed to point out, very truly, that some of the most serious dislocations are due to causes which have nothing to do with money—such as (in Britain) the fall in the demand for coal, owing to the development of oil and water-power; the fall in the demand for cotton, owing to the failure of Eastern markets; changes in fashion, affecting employment in the textile industries; the vast amount of "technological unemployment" occasioned by labor-saving arrangements, rationalization; the over-production of wheat and other commodities, and so on.

Whereas Irving Fisher and his school believe that changes on the money side are all-important in determining the general level of prices, some other economists and most bankers believe that in normal circumstances commodity movements have by far the greater significance. The difficulties of basing a plan for stabilization on money regulation have been stated thus: While bank credit is undoubtedly important, it cannot be precisely controlled, and the velocities of circulation of money and credit cannot be deliberately controlled at all, reflecting as they do the operation of human factors in economics.

Further, it is impossible to tell before the actual event when or in what degree changes should be made in any one factor (e.g., the volume of credit), in order to neutralize the effects of changes in some other (e.g., the volume of trade and production).



In the doubling of prices between 1913 and 1919 we may say the price index or price of the assortment of goods in the imaginary basket was doubled or that the dollar was worth half as much.

Thus, the main contentions on both sides of the controversy are valid as far as they go.

Other Sides to Consider

There are two sides to the equation—money and commodities; and dislocation may occur on either side. In our present distresses it has certainly occurred on both sides. Each must be put right, but the correction of one will not correct the other.

It is not, be it noted, simply a question of gold vs. paper. A great deal of regulation and control is done under the gold standard. A larger superstructure of paper and credit on the same stock of gold will cause the value of the gold unit to fall even if the unit be a gold coin. This, indeed, is what happened as the result of the war: gold fell to about two-thirds of its previous value. Of course, if a country is not to be drained of its gold, then it must not render it cheaper than it is elsewhere by a larger superstructure of credit than in other gold-using countries. The need for international agreement is just as great—indeed greater under the gold standard than under paper.

This becomes plain if we examine what must happen when one country still on the gold standard raises its internal price level, as the result of credit or currency expansion, appreciably above the level of other countries. The higher home prices stimulate the importation of cheaper foreign goods, and depress exports. This involves an unfavorable balance which, continuing long enough, must so exhaust gold reserves as to make it impossible to give gold for the banknotes in circulation. The moment the value of the paper currency falls below the value of the gold unit it nominally represents, exhaustion of gold would of course be instantaneous. The holder of a note could go to the bank and get $50 gold, take (say) $40 of it, buy paper, get gold, and so on.

Will Create Unemployment

The bearing of this on unemployment is shown by a passage in a lecture delivered by Professor Paul Douglas recently at Geneva. Speaking of the inflationary effects of wide-scale expenditure on public works, he said:

> "If one country during a period of depression adopts such a policy as I have just advocated, and either stabilizes its price level or causes it to rise slightly, while that of the rest of the world continues to decline, then two consequences, both having the same results, will inevitably tend to follow:
>
> "(a) There will be an increase of imports into the country in question because of its higher prices and a decrease of its exports because of its higher costs.
>
> "(b) Since money will have a higher purchasing power in other countries because of their lower prices, there will therefore be a speculative selling of the currency in question into foreign moneys.
>
> "The result will be the same in both cases—namely an increase in the indebtedness of the pioneering country to the rest of the world and a consequent export of gold to settle the balance. This will bring the price level of the advanced country to that of the rest of the world, and will create unemployment, which my policy sought to avoid.
>
> "Thus the effect of gold as an international standard is limited by the average degree of intelligence among nations. If it checks gross inflationist policies of certain countries and temperaments, and keeps them up to its level, it also checks such thoroughly sound methods of stabilization as I have proposed. In brief, it levels down as well as up."

The lines of international action called for by this situation are clear enough: They must cover tariffs as well as monetary policy. Stability in the value of money to the extent of preventing short-term variations, though not all-sufficient, as we have seen, is indispensable to the prevention of depressions. But money based on gold is an international device; one nation cannot maintain the price level if it is falling in other gold countries, and remain on the gold standard. International action as to the amount of credit—money—which shall be based on a given quantity of gold, is therefore indispensable. But that action plainly must cover something more than mere monetary practice. The disequilibrium must continue if, when a country with heavy debts to pay begins paying them in the only way they can be paid, by goods, its creditor says: "No goods, please—money." That must bring the whole thing down with a crash.

Protection Comes Into Picture

If the increase of tariffs is to go on indefinitely, each acting without reference to the needs of the other, it must end by making the gold standard unworkable. This bearing of protection on monetary policy is very seldom considered. Yet it would hardly be an exaggeration to say that nationalist economics and an international financial system are incompatible.

The stabilization of tariffs by international agreement will have to be approached from a new angle: as part of the problem of maintaining a stable money, and of maintaining the solvency of those customers upon whom we depend. To consider our tariff as merely our own affair is to court financial disaster.

The other great factor in the maintenance of an international money standard is foreign investment, which, of course, immediately brings us to the problem of political stability. The political unrest has discouraged foreign investment everywhere and so put an end virtually to the means of correcting international balances other than by gold.

These two main factors have indeed been emphasized again and again, explicitly or implicitly, by almost every expert body which has dealt with the crisis, notably by the Gold Delegation of the League of Nations, the Financial Committee of the League, the Credits Sub-Committee of the League, the Basle Committee of Representatives of Central Banks.

The last named reports:

> "Financial remedies alone will be powerless to restore the world's economic prosperity until there is a radical change in this policy of obstruction, and international commerce, on which depends the progress of civilization, is allowed to resume its natural development."

Similarly with the re-starting of international lending by concerted action of governments and central banks:

> "In order to revive demand and thus put an end to the continued downward movement of prices which is enclosing both debtor and creditor countries in a vicious circle of depression—it is essential that the normal process of investment of fresh capital should be resumed with a well-defined economic purpose in view, namely, an increase in the purchasing power of the world."

Financial Assistance Urged

The British Macmillan Report describes in some detail the kind of action that is required. The essential principle is the desirability of foreign loans being made on a greater scale, and it envisages not only a concerted policy for ordinary loans, but also some form of guaranteed credit, including perhaps government guarantees.

The same measures are recommended or supported with varying degrees of emphasis in all the reports above mentioned.

In the next and final article we shall sum up the final results of our study so far carried on; will try to indicate "what it all amounts to."

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*The story has been told in the recent book of a British economist, Dr. Brinlet Thomas, of the London School of Economics, in a work entitled: "Monetary Policy and Crisis, A study of Swedish Experience" (Routledge, London, 7/6).

The BACHELOR'S COLUMN

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THE INTERNATIONAL WHO'S WHO. Published by Europa Publications, 6 Duke St., Adelphi, London, W.C.2. Price £3 3s. plus 2s. 6d. postage.

Every good library is filled with Who's Who volumes from different countries. But practically all of them are national in character. To look up the citizen of a foreign country has always involved not only knowing his nationality but knowing something about the language of his country in which his national Who's Who will be edited and printed.

The International Who's Who is intended as a co-ordinating volume. Published in English, it lists some 25,000 of the leading citizens of the world—statesmen, diplomats, industrialists, financiers, educationalists, scientists, literary people, etc. The information given about each person listed is brief, but none of the main facts is missing. The typographical set-up makes for easy reading. The treatment is entirely alphabetical with no attempt to list individuals by nations, which would have had the effect of destroying the quality of easy reference which is so necessary in a volume of this character.

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IS THERE ENOUGH GOLD? By Charles O. Hardy. Published by the Brookings Institution, Washington, D.C. Price $1.50.

A few years ago there was a very general feeling that the world was suffering from a serious shortage of gold. The depression was blamed upon a diminution in gold supply; it was seriously questioned if the nations could survive the gold standard.

Whether or not there is a shortage of gold in the world has become temporarily an academic question since so few nations are tied to the gold standard. But most of them have in mind their ultimate return to at least a managed gold standard. Will there be enough gold then to go around without serious consequences? Even if there was no question of increasing gold supply there seems to be little question that a shortage of gold will not be a deterrent to the restoration of an international monetary standard, if only because nations have learned how to economize in the use of gold, how to get along with lower reserve ratios.

Is There Enough?

In this volume Dr. Hardy focuses his attention on one main question: "Given a general restoration of industrial activity, would the prospective gold supply be sufficient to support the prospective volume of world trade at gold price levels as high as those of 1924-29, without drastic changes in the monetary institutions which determine the amount of gold that is needed?"

This is the question as phrased by Edwin G. Nourse, director of the Institute of Economics, a branch of the Brookings Institution.

Dr. Hardy discusses it at great length and answers it with a wealth of background material and statistical data. His conclusions are given in his own words as follows:

"First, that even in 1929 there was no justification for the pessimism that prevailed about the gold supply in prospect over the next decade;

"Second, that in the light of new developments since that time, together with fuller knowledge of what the conditions then were, the real risk to be guarded against in planning a restoration of the gold standard is that of an excessive supply of gold."

Risks in Gold Return

He points to further risks: that an over-rapid expansion of the credit structure will follow on the stabilization of currency and the restoration of general confidence and the equally serious risk that the world will commit itself to a gold standard with reserve requirements (and consequently with growth requirements), based on the swollen holdings that the depression has given us, making certain that the shortage which the gold delegation imagines will become a reality. To guard against the possible dangers in gold standard restoration the author suggests the establishment of some plan under which a large part of the existing world gold stock would be segregated in extraordinary reserves.

Included is a further study of the Warren-Pearson theory on gold and prices.

SECURITY OR THE DOLE—By Maxwell S. Stewart. Published by the Public Affairs Committee, National Press Building, Washington, D.C. Price 10 cents.

Unless there is an immediate and marked improvement in economic conditions we may expect an increasing demand for higher standards of security from the underprivileged, according to Mr. Stewart. The pamphlet, fourth in a series on economic and social problems, discusses chiefly the new U. S. Social Security Act.

A PLACE IN THE SUN. By Grover Clark. Published by the Macmillans in Canada. Price $2.50.

So great is the volume of background literature on contemporary subjects today that wise authors do not take for granted that all the buyers of their books have time to read them from cover to cover. Some even summarize their facts at the beginning of their volumes rather than at the end. Grover Clark, an exceedingly well-informed American writer, goes the limit in this respect in this volume.

The first paragraph of the preface reads as follows:

"This book is the result of an attempt to get from the actual records an answer to the question: 'Do colonies pay?' Most emphatically the answer is: No."

Evidence in the Case

However, the question is not so easily disposed of. Evidence must be provided. The record of history may demonstrate (and it may have so demonstrated for many generations) that colonization does not pay. Why then has colonization gone on? Why was Italy guilty of the rape of Ethiopia? Why is there the bitterly-drawn struggle today between the "have's" and the "have not's" among the nations?

In part the reason is that the nations have not all learned that colonization does not pay. But a more important reason, as Mr. Clark makes very clear, is that it is the taxpayers who pay the cost of colonization while it is special commercial groups or investment interests that gather in the profits, and so long as there are profits for such monopoly groups the world will be torn by strife over colonies and mandates.

Separate Statistical Study

Mr. Clark has published this volume, which is most readable—in fact a fascinating story—as a result of a study made under the auspices of the Carnegie Endowment for International Peace. Rather than burden this volume with detailed statistical analyses and documentary material, he is having them published separately in a volume entitled "The Balance Sheet of Imperialism." Thus "A Place in the Sun" is an excellent review of the subject for the average reader, while in combination with the background material it will provide a thoroughgoing analysis of the whole situation for the more advanced student.

There is just as clear thinking in the plan of the volume as in the actual writing. First, there is the record of colonization in the past with detailed accounts of the rise of the British Empire, the growth of the French Colonial Empire, the Italian advance in Africa and the penetration of Japan on to the continent of Asia.

Then are examined in detail the population "fallacy," the trade fallacy and the raw materials fallacy. It is convincingly demonstrated that emigration has not followed the flag; that emigrants go where opportunities exist, and are influenced to only a small degree by nationalistic considerations; that trade does not follow the flag so much as it follows the investment dollar and that control of a colony is no assurance of control of its trade; that there is practically no advantage from the standpoint of supply of raw materials to be gained from control of a colonial empire.

Equality of Opportunity

There is a trace of Sir Samuel Hoare's raw materials speech before the League of Nations in the author's proposal for the solution of the colonial problem. He urges equality of access to raw materials and trade opportunities. To specifically ensure this, he proposes that the League of Nations should be given the right to nullify any action which a colony-holding country might take in violation of complete economic equality for all. Sir Samuel Hoare's speech at Geneva last fall made it clear that Britain would be prepared to consider some such proposal. But under present world conditions Dr. Clark may be asking for the impossible.

His book is a very important one at this juncture — complete, non-technical, exceedingly readable and fully appreciative of the British viewpoint.